

**Audited Financial Statements of  
the Community Development  
Financial Institutions Fund for  
Fiscal Years 2000 and 1999**

OIG-01-047

February 20, 2001



**Office of Inspector General**

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**The Department of the Treasury**



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

February 20, 2001

MEMORANDUM FOR JEFFREY C. BERG, ACTING DIRECTOR  
COMMUNITY DEVELOPMENT FINANCIAL  
INSTITUTIONS FUND

FROM: William H. Pugh *William H. Pugh*  
Deputy Assistant Inspector General  
for Financial Management and Information  
Technology Audits

SUBJECT: Audited Financial Statements of the Community  
Development Financial Institutions Fund for  
Fiscal Years 2000 and 1999

I am pleased to transmit the audited financial statements of the Community Development Financial Institutions (CDFI) Fund for Fiscal Years (FY) 2000 and 1999, as required by the Riegle Community Development and Regulatory Improvement Act of 1994, and the Government Corporation Control Act. These financial statements are incorporated in the CDFI Fund's FY 2000 Annual Report. The CDFI Fund's financial statements were audited by KPMG LLP, an independent public accountant (IPA). The IPA issued the following reports which are included in the attachment:

- Independent Auditors' Report on Financial Statements;
- Independent Auditors' Report on Internal Control over Financial Reporting; and
- Independent Auditors' Report on Compliance with Laws and Regulations.

The IPA rendered an unqualified opinion on the CDFI Fund's FY 2000 and 1999 financial statements. The Independent Auditors' Report on Internal Control over Financial Reporting contained no reportable conditions. In addition, the Independent Auditors' Report on Compliance with Laws and Regulations contained no instances of noncompliance.

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The IPA issued a management letter dated December 21, 2000, discussing various issues that were identified during the audit, but which are not required to be included in the audit reports.

My staff's review of the IPA's working papers determined that the work was performed in accordance with generally accepted government auditing standards. Should you have any questions, please contact me at (202) 927-5430, or a member of your staff may contact Mike Fitzgerald, Director, Financial Audits at (202) 927-5789.

Attachment

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## MESSAGE FROM THE DIRECTOR'S OFFICE

The past year has been one of comparative economic prosperity for the country, and I am pleased to announce that the CDFI Fund, in supporting the CDFI industry, has helped to ensure that those left on the periphery of this prosperity have had opportunities to participate in it—through access to capital and development finance strategies.

The Fund continued to increase the availability of capital in underserved communities in FY 2000. Eighty-one (81) new organizations were certified as CDFIs during the year, more than doubling the number of certified CDFIs that existed in FY 1997. All told, 415 certified CDFIs were serving the nation's communities by the close of FY 2000.

More importantly, these CDFIs and the 312 financial institutions participating in the Fund's Bank Enterprise Award (BEA) Program spawned a tremendous increase in dollars invested in distressed communities. In FY 2000, \$74 million dollars in Core Component awards generated at least \$150 million in new capital, and \$45 million in BEA Program awards generated \$244 million in loans, investments and services to CDFIs for underserved communities. In addition, participating banks documented \$1.1 billion in new loans and investments that they made in targeted, high distress areas.

This massive investment had tangible results in the form of more financing for small businesses, affordable housing, child care centers and other community facilities, and basic consumer needs. Research conducted this year with past CDFI Fund awardees underscores the way these CDFIs and financial institutions reach into communities. Core Component awardees from FY 1996 and FY 1997 report an amazing 46,000 loans and investments closed, representing \$3 billion. Over 6,000 businesses employing 41,000 people were financed, and loans made helped with the development of close to 52,000 units of affordable housing.

A genuine highlight of the year was that the Fund had the opportunity to award significantly more dollars in

FY 2000. The BEA Program has become increasingly popular, with the number of bank applicants growing from 75 in FY 1997 to 229 in FY 2000. A total of \$44.8 million in BEA Program dollars was awarded in FY 2000, representing a 41% increase over the previous year. This figure is doubly important when considering the amount of community reinvestment that had to take place on the banks' part to realize these awards, and that 165 CDFIs received monies from BEA Program awardees, nearly triple that of FY 1997. Interestingly, the largest increase in BEA Program participation has come from smaller, state-chartered banks.

The momentum developed from these energetic achievements will be augmented by some of the exciting new initiatives that the Fund expects to undertake during FY 2001. Most anticipated, perhaps, is the creation of the New Markets Tax Credit Program that will provide investors in community development with a significant incentive (in the form of a tax credit) to do more. We will also see the rollout of the Native American Training and Technical Assistance component of the CDFI program, designed to benefit Native American communities. The first round of SECA (Small and Emerging CDFI Assistance) component awards will be made, adding an important fresh approach to technical assistance while encouraging smaller and startup organizations to become engaged in the CDFI field.

I can think of no more fitting way to close this letter than to recognize and applaud Ellen Lazar and Maurice Jones, the two most recent Directors of the Fund. The recent successes of the Fund and the promising outlook for the new year can be directly attributed to the solid leadership and sage guidance that they have provided. It is with the greatest appreciation that the Fund staff and I dedicate this year's CDFI Annual Report to them.

Sincerely yours,



Jeffrey C. Berg  
Acting Director

## **MESSAGE FROM THE DEPUTY DIRECTOR FOR MANAGEMENT/ CHIEF FINANCIAL OFFICER**

I am pleased to present the fiscal year 2000 audited financial statements for the Community Development Financial Institutions Fund ("the Fund"). KPMG Peat Marwick LLP rendered an unqualified opinion on these statements. In addition, no material weaknesses or reportable conditions were identified for the third consecutive year.

This achievement is testament that the Fund's internal control structure and environment are working as intended; consequently, the Fund has reasonable assurance that it is in compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Federal Financial Management Improvement Act (FFMIA). The Fund's systems of internal management, accounting, and administrative controls are operating effectively. Organizational policies and procedures are in place to ensure that programs achieve their intended results; resources are used consistent with the Fund's mission; programs and resources are protected from waste, fraud, abuse, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported, and used for decision making.

The beginning of the new millennium has been very encouraging for the Fund, as a record number of applications for our programs were received. These applications resulted in the largest number of grants and dollars awarded in the Fund's history. This significant workload was capably handled and administered by a professionally dedicated staff that ensured that the Fund complied with all applicable federal and departmental guidelines and procedures in the administrative processing and awarding of more than 300 grants during FY 2000.

To complement this significant programmatic activity, the Fund also embarked on several administrative endeavors that have enhanced, or will enhance, efficiency and effectiveness for our internal and external customers. They include:

- Development of electronic handbooks to provide end-users (applicants and fund staff) with Internet-based resources to communicate

application requirements and other information. This process is also intended to enable the entire application and review process to take place electronically. The Fund has initiated its requirements analysis phase and plans to have the capability to accept applications electronically for its programs in fall 2001.

- Completion of the Travel Manager system, through which travelers may receive payments electronically within four business days from voucher submission, instead of the previous three-week processing period, without sacrificing effective management controls.
- Completion of a Memorandum of Understanding with the Department of Health and Human Services to have our grant payments administered through its Payment Management System. This system, which will be fully implemented during Fiscal Year 2001, will enable our grantees to draw down their grant funds via the Internet, with the funds being deposited in the grantees' bank account by the next business day.

These achievements are noteworthy because many hard-working individuals, functioning as a team within the Fund, can take pride in the accomplishments realized since the inception of the CDFI Fund only five years ago. It is personally satisfying to have had the privilege of managing, directing, and implementing change within the administrative arena to support and strengthen the Fund's vision. Clearly, the Fund has made considerable strides over the past year. With the support of my professional colleagues, we will continue to make significant progress in improving the management and delivery of the Fund's programs.



Owen M. Jones  
Deputy Director for Management/  
Chief Financial Officer

***COMMUNITY DEVELOPMENT FINANCIAL  
INSTITUTIONS FUND OVERVIEW***

# **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND OVERVIEW**

The Community Development Financial Institutions Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. In July 1995, the Fund, a wholly owned government corporation, was placed within the Department of the Treasury.

## **Fund Mission**

The Fund's vision is an America in which all people have access to capital and financial services. Its mission is to promote economic access to capital and local economic growth by directly investing in and supporting Community Development Financial Institutions (CDFIs) and by expanding financial service organizations' lending, investment, and services within underserved markets. CDFIs are private, for-profit and nonprofit financial institutions which have community development as their primary mission and which have received certification by the Fund. They include community development banks, community development credit unions, nonprofit loan funds, microenterprise loan funds, and community development venture capital funds.

## **Fund Goals**

To accomplish its mission, the Fund has identified four goals:

1. Strengthen and expand the financial capacity of CDFIs;
2. Strengthen the organizational capacity and expertise of CDFIs to better serve their communities;
3. Expand financial service organizations' community development lending and investments; and
4. Strengthen and expand the network of microenterprise development organizations and promote microentrepreneurship.

## **Fund Programs**

The Fund administers several programs that directly address the above goals. Fund programs put capital to work by providing financial assistance to both

established and emerging CDFIs. The programs also strengthen relationships between CDFIs and mainstream financial institutions and help build the CDFI industry as a whole.

The Fund's programs are as follows:

### **Community Development Financial Institutions Fund Program**

The CDFI program consists of the Core, Intermediary, and Technical Assistance components. The Core component provides financial assistance in the form of grants, loans, equity investments, shares, or deposits to certified CDFIs. The Fund also conducts an annual survey to gather performance and outcome data from its Core awardees.

The Intermediary component provides this same type of assistance to CDFIs that, in turn, provide financing primarily to other CDFIs and/or support the formation of CDFIs. Both Core and Intermediary awardees are required to obtain matching funds comparable in form and amount to the assistance they receive from the Fund.

The Technical Assistance component consists of grants provided to certified CDFIs and those in the process of becoming certified. These grants are used to build organizational capacity and to enhance an organization's ability to serve its target market.

### **Bank Enterprise Award Program**

The BEA program provides financial awards to insured depository institutions in recognition of increased investments in CDFIs and increased lending services or investments in distressed communities within their service areas.

### **Training Program**

The Training Program is designed to increase the capacity of the CDFI industry. This program was launched during FY 1999 to support the development and delivery of training products and services to CDFIs and other Financial Service Organizations (FSOs) engaged in community development finance. Under this program, the Fund contracts with other organizations to provide training to CDFIs and FSOs.



## Microenterprise Development Program

Through annual, non-monetary Presidential awards, this program recognizes organizations that demonstrate excellence and leadership in promoting microenterprise development. A microenterprise organization is one that is either a sole proprietorship, partnership, family business, or incorporated entity that has no more than five employees (including the owner), does not have access to the commercial banking sector, and has use for, or seeks, a loan of \$25,000 or less.

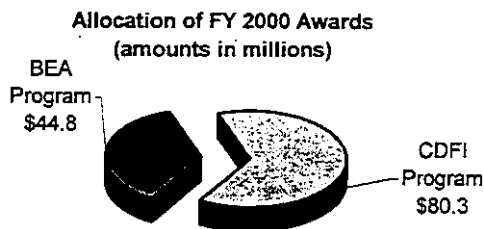
## Native American Lending Study

In addition, the Fund is conducting a study on lending and investment practices on Indian reservations and other lands held in trust by the United States. Workshops are being held to identify barriers to lending and investment on Native American lands and to determine how to eliminate these barriers. The findings from these workshops will assist the Fund in developing a report to the President and Congress that will include recommendations designed to increase private investments on Native American lands.

Additional information on the above programs is provided in the Program Discussion and Analysis section of this report.

## Allocation of Funding

Total program amounts awarded (obligated) during FY 2000 totaled \$125.1 million.



## Sources of Funding

Funds are appropriated annually to the CDFI Fund for two fiscal years. Therefore, each year's available funding may include unobligated funds from the prior year ("carryover" funding) plus the current year's appropriations. Sources of funding also include amounts borrowed from the Treasury Department for loans made to awardees.

### Sources of Funding

(amounts in millions)

	<u>FY 00</u>	<u>FY 99</u>
Appropriations	\$95.5	\$95.0
Transfer Funding	20.0	-
Amounts Deobligated	3.3	.1
Carryover from Prior Year	6.1	36.0
Borrowings from Treasury	9.0	4.1
<b>Total Sources of Funds</b>	<b><u>\$133.9</u></b>	<b><u>\$135.2</u></b>

## Uses of Funding

During FY 2000, the Fund incurred obligations totaling \$133.7 million. Unlike the prior year, the Fund was able to obligate virtually all of its funding, with amounts unobligated as of the end of FY 2000 totaling less than \$200,000.

### Uses of Funding

(amounts in millions)

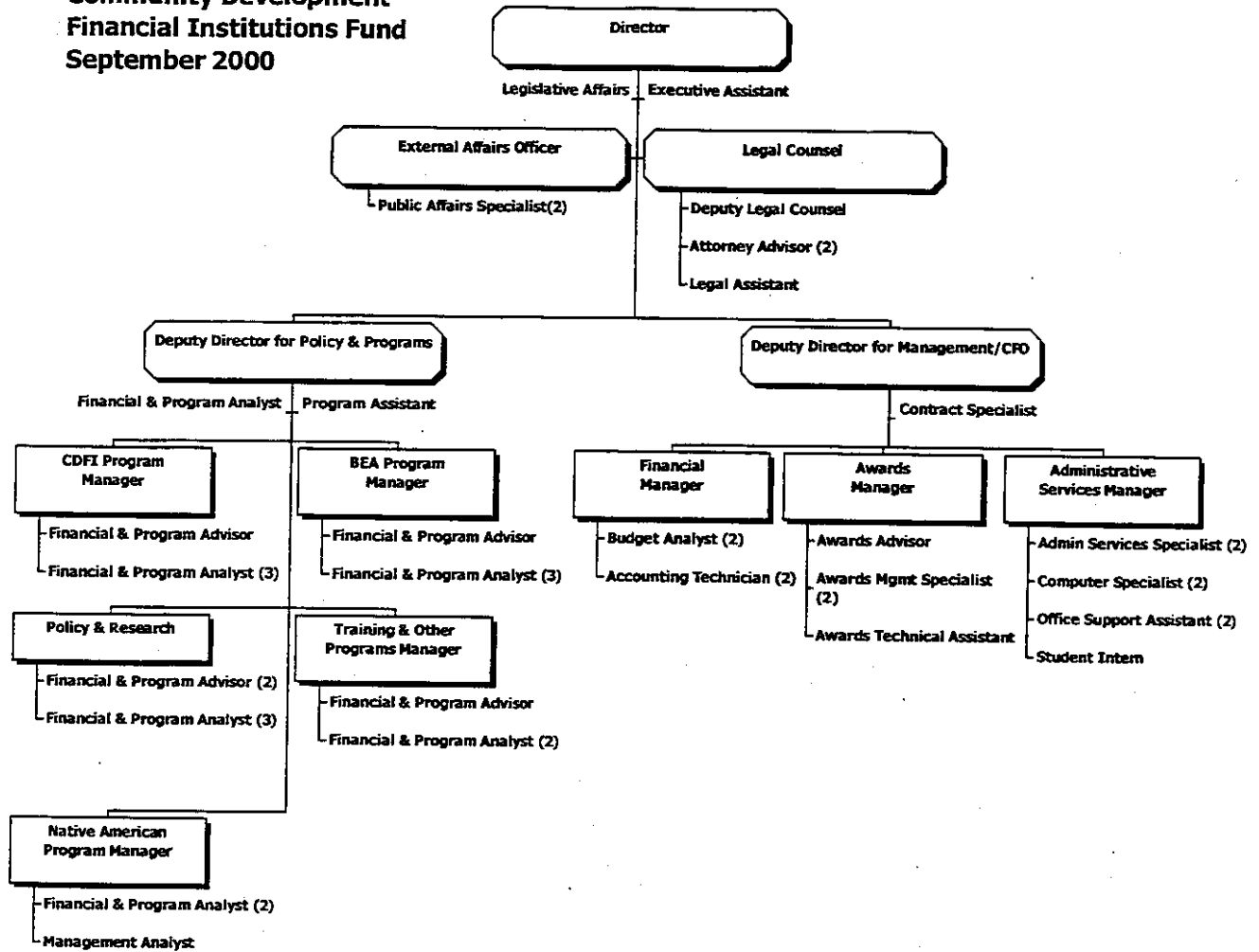
	<u>FY 00</u>	<u>FY 99</u>
<b>Awards</b>		
<b>CDFI Program:</b>		
Core and Intermediary*	\$77.3	\$86.3
Technical Assistance Grants	3.0	4.1
Bank Enterprise Awards	44.8	31.7
<b>Total Awards</b>	<b><u>\$125.1</u></b>	<b><u>\$122.1</u></b>
<b>Program Management and Administration</b>	8.0	7.0
<b>Training Contracts</b>	.6	-
<b>Total Amounts Obligated</b>	<b><u>\$133.7</u></b>	<b><u>\$129.1</u></b>
<b>Amounts Not Obligated</b>	<b><u>.2</u></b>	<b><u>6.1</u></b>
<b>Total Funding Provided</b>	<b><u>\$133.9</u></b>	<b><u>\$135.2</u></b>

\* includes loans made to awardees

## Organization of the Fund

The Fund's structure consists of a director, a deputy director for policy and programs, a deputy director for management/chief financial officer, and various program and administrative support offices. The organization chart of the fund is shown below.

**Community Development  
Financial Institutions Fund  
September 2000**



## ***PERFORMANCE HIGHLIGHTS***

## **PERFORMANCE HIGHLIGHTS**

The vision of the CDFI Fund was further realized through significant accomplishments during FY 2000. The Fund continues to support an ever-increasing number of CDFIs and Financial Service Organizations (FSOs) in distressed communities throughout the country. Its efforts created greater access to capital in

these communities, resulting in increased employment, more affordable housing, revitalized neighborhoods, and strengthened local communities.

Highlights of the Fund's program and financial performance during FY 2000 are summarized below.

### **Community Development Financial Institutions Program**

	(dollar amounts in millions)			
	FY 97	FY 98	FY 99	FY 2000
<b>Number of certified CDFIs at year-end</b>	188	262	334	415
<b>Core Component</b>				
Total amount of awards	\$33.3	\$44.3	\$78.1	\$74.2
Number of applications received	159	131	153	160
Number of awards	50	42	78	75
<b>Intermediary Component</b>				
Total amount of awards	\$0	\$7.1	\$8.2	\$3.1
Number of applications received	0	N/A	8	7
Number of awards	0	3	4	2
<b>Technical Assistance Component</b>				
Total amount of awards	\$0	\$3.0	\$4.1	\$3.1
Number of applications received	0	112	160	141
Number of awards	0	70	89	66
Number of awardees that are start-ups	0	10	19	15

### **Bank Enterprise Award Program**

	(dollar amounts in millions)			
	FY 97	FY 98	FY 99	FY 2000
<b>Total Amount of awards</b>	\$16.5	\$28.0	\$31.7	\$44.8
<b>Number of awards</b>	54	79	103	159
<b>Amount of financial or technical assistance</b>				
BEA awards provided to CDFIs	\$65	\$140	\$168	\$244
<b>Amount of loans, investments, and services BEA awardees made in distressed communities</b>	\$83	\$569	\$717	\$1,100
<b>Number of CDFIs receiving assistance from banks</b>	61	89	95	165

## Summarized Financial Data

	(amounts in millions)	
	FY 1999	FY 2000
Assets	\$184.6	\$215.6
Liabilities	\$52.9	\$72.4
Net Position	\$131.7	\$143.2
Revenue and Financing Sources	\$ 75.8	\$104.5
Expenses	\$ 76.0	\$104.7
Shortage of Revenue and Financing Sources Over Expenses	\$ 2	\$ 2

## ***PROGRAM DISCUSSION AND ANALYSIS***

## ***COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS CERTIFICATION***

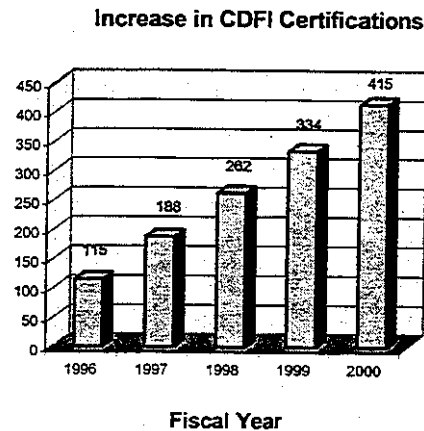
For an organization to be eligible to receive a Core or Intermediary award, it must be a certified Community Development Financial Institution (CDFI). A certified CDFI is one that has been certified by the Fund as meeting all of the following criteria:

- has a primary mission of promoting community development;
- serves principally an underserved investment area or a targeted population;
- makes loans or development investments as its predominant business activity;
- provides development services (such as technical assistance or counseling);
- maintains accountability to its target market; and
- is a non-governmental entity.

In addition to seeking certification to receive financial assistance from the Fund, organizations pursue CDFI certification to leverage funds from non-federal sources

such as banks, foundations, and state and local governments.

The certification of organizations as CDFIs has been a long-standing goal of the Fund. By the end of FY 2000, the Fund had certified a total of 415 CDFIs serving both rural and urban areas in 47 states and the District of Columbia, Puerto Rico, and the Virgin Islands.



# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

The Community Development Financial Institutions (CDFI) Program uses limited federal resources to invest in and build the capacity of private, for-profit and nonprofit financial institutions to provide capital and financial services to underserved people and communities. The Fund invests in CDFIs using flexible tools—such as equity investments, loans, grants, and deposits—depending on market and institutional needs. The applicant CDFI demonstrates these needs in a required business plan and in its ability to raise comparable non-federal matching funds, both requirements of the application process. The Fund evaluates each applicant CDFI in a manner similar to a private investor's determining the investment-worthiness of an institution. This evaluation includes an assessment of the applicant's financial performance, management capacity, market analysis, and potential community development impact. Thus, the Fund effectively assists these organizations in their ability to meet community needs, develop, and grow.

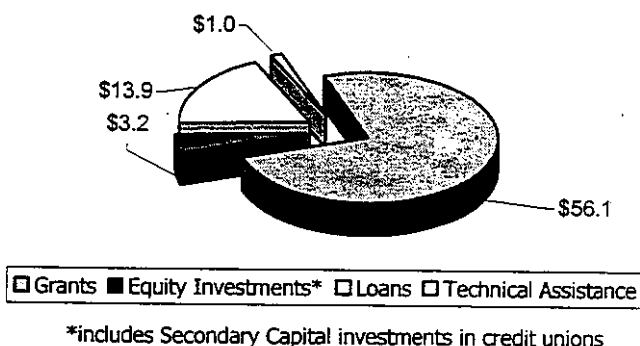
The FY 2000 CDFI Program had three separate components: the Core Component, the Intermediary Component, and the Technical Assistance Component.

## Core Component

The Core Component is the Fund's main program under which CDFIs, or entities proposing to become CDFIs, may apply for financial and technical assistance. Funding through this component supports CDFIs seeking to build their capacity and enhance their lending, investment, and community development activities. Selection of Core awardees is based on several factors, including their financial track record, the capacity of their management, their strategy for achieving community development impact, their ability to obtain matching funds in a form and value similar to the Fund's award, and their effective use of the Fund's dollars.

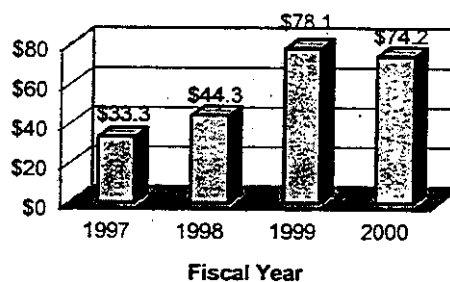
During FY 2000, awards totaling \$74.2 million, funded from FY 2000 appropriations, were made to 75 organizations. The awards ranged from \$50,000 to \$3.03 million.

**CDFI Core Awards**  
(amounts in millions)



The \$74.2 million awarded during FY 2000 was \$3.9 million less than the \$78.1 million awarded during FY 1999. The 1999 award amount, however, included 12 awards totaling more than \$9 million that were obligated in FY 1999 from FY 1998 Core Component awards. Thus, the FY 2000 awards actually represent an increase over the dollar amount and number of awards obligated from the FY 1999 Core Component. The Fund expects to make additional awards under the 2000 Core Component in the first quarter of FY 2001.

**Total Amount of Core Awards**  
(amounts in millions)



## Outreach Workshops

Before applications are due, the Fund conducts information sessions throughout the country to inform potential applicants about program requirements. During FY 2000, the Fund conducted 12 workshops and reached an additional 81 sites through the use of video broadcasts. The Fund received 160 Core applications, slightly more



than the 153 applications received the previous year. Eleven of the awards made during FY 2000 were to start-up organizations that have been operating for two years or less.

### Geographic Reach

The CDFIs selected for awards during FY 2000 are headquartered in 33 states and the District of Columbia, compared to 28 states for the FY 1999 awardees. This was the first year in which Core awards were made to organizations located in Tennessee, South Carolina, and West Virginia.

### Intermediary Component

Under the Intermediary Component, the Fund provides financial assistance on a competitive basis to CDFIs that, in turn, provide financing to other CDFIs or support the formation of CDFIs—particularly those that are small, geographically isolated, or have other specialized needs. The Fund initiated this component to serve the CDFI industry more efficiently and effectively.

The application process for the Intermediary Component is comparable to that of the Core Component. However, the number of applications is far fewer because of the relatively small number of Intermediary CDFIs. In selecting awardees, the Fund considers the extent to which assistance would add substantially to the CDFI field—creating benefits beyond those that the Fund can accomplish through the Core Component.

Seven applications were received for FY 2000 Intermediary awards with awards totaling \$3.1 million made to two of these applicants.

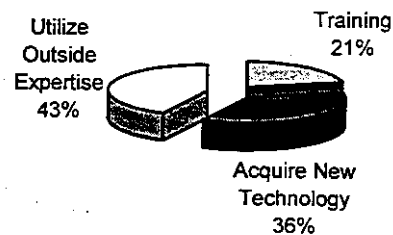
### Technical Assistance Component

The Technical Assistance (TA) Component provides grants on a competitive basis to CDFIs, and entities proposing to become CDFIs, to purchase services needed to build their capacity to better serve their target markets.

The Fund conducted six in-person information sessions and a video teleconference to provide potential applicants with information about the TA Component.

Most uses of TA Component grants fall into one of three categories: training staff and board members; acquiring new technology to improve financial management or internal operations; and obtaining outside expertise to build organizational capacity in specific areas.

Technical Assistance Awards by Use



Applicants selected for awards are in various stages of organizational growth. They include start-ups that need assistance in sharpening their focus on a target market; existing organizations that seek to define new loan products to better serve their clients; and mature organizations that need to improve efficiency in handling growing loan portfolios.

The application evaluation criteria are similar to those of the Core Component; however, predominant consideration is given to the extent of the applicant's demonstrated capacity needs and the extent and nature of the community development impact that will be achieved relative to the amount of TA to be provided. Matching funds are not required for the TA Component.

During FY 2000, 141 applications were received, of which 66 were approved for a total of \$3.1 million. Fifteen of the organizations selected for an award were start-up organizations (representing 23 percent of the total), compared to 19 start-up organizations that received awards the previous year. The TA Component awardees are located in 32 states and the District of Columbia, and they include the CDFI Program's first awards (four) to organizations headquartered in Iowa.

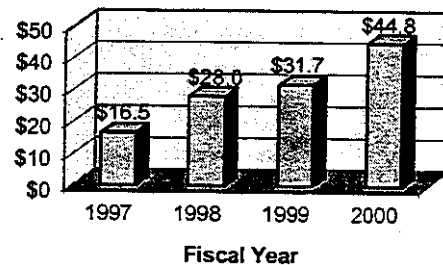
## ***BANK ENTERPRISE AWARD PROGRAM***

The Bank Enterprise Award (BEA) Program recognizes the key role played by traditional financial institutions in community development lending and investing. It provides incentives for these regulated banks and thrifts to invest in CDFIs and to increase their lending and financial services in distressed communities. Providing monetary awards for community reinvestment leverages the Fund's dollar and puts more capital to work in distressed communities throughout the nation.

All depository institutions insured by the Federal Deposit Insurance Corporation are eligible to apply for a BEA Program award. The Fund determines awards based on the increase in the total dollar value of activities within an assessment period compared with the value of the activities during the same period in the previous year. Awards range from five percent to 33 percent of the dollar value of the increased activities, depending on the type of activity and whether the applicant is a certified CDFI. Eligible activities include providing financial or technical assistance to CDFIs, as well as lending, investing, and providing services in distressed communities. Distressed communities are geographic areas, including Indian reservations, which meet certain criteria of economic distress.

Over the last four years, there has been a significant increase in the number of financial institutions applying for a BEA Program award and a corresponding increase in the number and amount of awards. In FY 1997, there were 75 applicants for a BEA Program award, of which 54 received awards totaling \$16.5 million. In FY 2000, there were 229 applicants of which 159 received awards totaling \$44.8 million, funded from FY 2000 appropriations. The FY 2000 awards ranged from \$900 to \$3.3 million.

**Total Amount of BEA Awards**  
(amounts in millions)

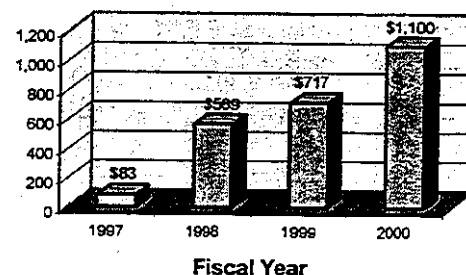


This growth is primarily due to an increase in the amount of dollars appropriated to the Fund over this period; however, the Fund has also engaged in significant outreach efforts to make financial institutions more aware of the BEA Program and how it can be used.

Total lending, investments, and services by banks and thrifts in distressed communities have steadily increased from \$83 million in FY 1997 to \$1.1 billion in FY 2000. There has also been a significant increase in the amount of financial support provided by banks and thrifts to CDFIs over this same period, from \$65 million in FY 1997 to \$244 million in FY 2000. The number of CDFIs receiving financial assistance from banks and thrifts has increased from 61 in FY 1997 to 165 in FY 2000.

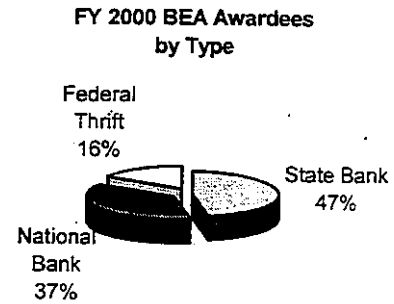
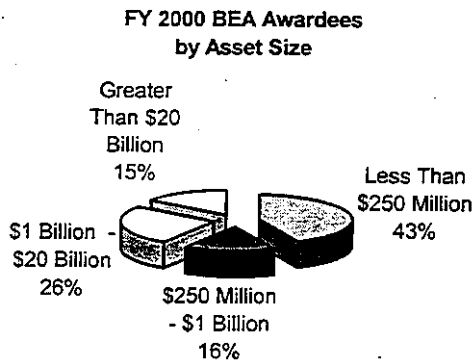
This growth is due to an increased awareness within the CDFI industry regarding how the BEA program can be used as a tool for raising financial resources from banks and thrifts. Some of the growth can also be attributed to an increased awareness within the financial services industry of the BEA Program.

**BEA Loans, Investments, and Services**  
in Distressed Communities  
(amounts in millions)



The Fund attempts to ensure that a variety of banks and institutions—in terms of asset size and type—participate in the BEA Program. Over the last several years, awards provided to the smallest banks and thrifts have increased from 27 percent in FY 1998 to 43 percent in FY 2000. This growth is most likely attributable to outreach efforts and increased awareness within the financial services industry of the BEA Program.

Participation by type of organization (bank or thrift) has varied each year. The most significant change is the steady increase in the total number of state-chartered banks, from 25 percent of the FY 1997 awardees to 47 percent of the FY 2000 awardees. This trend is most likely related to the increase in small bank participation because small banks often use state-chartered banks.



## ***TRAINING PROGRAM***

Increasing the supply and accessibility of training services can enhance the capacity of the CDFI industry. Toward this end, the Fund launched the Training Program in FY 1999 to fund the development and delivery of training products and services to CDFIs and financial service organizations (FSOs) engaged in community development. In particular, the Training Program is expected to address curriculum development and training delivery, including such diverse methods as classroom instruction, Web-based distance learning, and structured internship-based training. The Training Program is capable of reaching a very broad market since non-CDFI FSOs are among the training audience.

The Training Program began in FY 1999 with the awarding of a contract to Arthur Andersen, LLP to perform a market analysis of the training needs and resources of CDFIs and community-focused FSOs. The analysis also included entities that are providers of training to these organizations. The purpose of the market analysis was to obtain sufficient data to determine: 1) the quality and extent of training available for CDFIs and FSOs focused on community development; 2) the training needs of such organizations; 3) impediments to obtaining training for such organizations; and 4) strategies for eliminating these impediments.

During FY 1999, the Fund designed materials to solicit proposals for the development and delivery of specific training to help CDFIs and FSOs. This included training in analyzing markets, projecting financial positions, and developing organizational infrastructures for effective community development lending. The focus in developing these three curricula was derived from the Arthur Andersen market analysis and the Fund's direct experience in evaluating business plans received through the CDFI Program.

As part of the Fund's capacity-building efforts, the training design tends toward a very practical, "how-to" format. During FY 1999, the Fund reviewed training proposals and selected four applicants to provide the required training. Of the four training providers selected, at least one will focus on the unique training needs of community development credit unions. The delivery of curricula will include Web-based distance learning as well as traditional classroom approaches. Training will be available at little or no cost to CDFIs and FSOs. The low cost and Web availability of the training should address all access issues. The total to be paid to these vendors will be approximately \$1,250,000, and the training will begin in FY 2001.

## ***INTERAGENCY WORKGROUP ON MICROENTERPRISE DEVELOPMENT***

Following the United Nations' Beijing Conference on Women in 1995, the President directed the Fund to establish an Interagency Workgroup on Microenterprise Development to better coordinate the work of federal agencies involved in microenterprise efforts and to develop a coherent framework for federal government efforts to promote microenterprise.

The Workgroup was launched in 1998 and has been co-chaired by the Fund director and the associate deputy administrator of the Small Business Administration. Its mission is accomplished through the efforts of three committees established by the Workgroup: Policy, Regulatory, and Education. Each committee has a discrete area with specific tasks:

- The Education Committee launched a Web site that receives 16,000 hits per month. The site,

[www.sba.gov/microenter](http://www.sba.gov/microenter), is currently being updated. Links to federal agencies are in place, and links to other related sites are being explored.

- The Policy Committee's "Policy Paper" has been finalized and distributed to all federal agencies to use as a guide on future programs and current collaborations. It is also posted on the Web site.
- The Regulatory Committee has worked with the Policy Committee to finish the "comparisons matrix" of federal programs and make recommendations for using common terms and making regulatory changes to ease application and reporting burdens on constituents.

In addition, the Education and Policy committees are jointly developing a publication of case studies of federal microenterprise programs.

# ***NATIVE AMERICAN LENDING STUDY***

In FY 2000, the Fund continued to conduct the Native American Lending Study. The purpose of the study is to identify the barriers to capital and private financing and the impacts of such barriers on access to capital and credit for Native American communities.

A final report on the results of the study will be presented to the President and to Congress and will (1) identify barriers to private financing and the impact of such barriers on access to capital and credit for Native American populations; (2) recommend statutory and regulatory changes to existing federal programs; and (3) recommend policy changes regarding community development financial institutions, insured depository institutions, secondary market institutions, and private-sector capital institutions.

To assist the study, the Fund has incorporated a *strategy and action plan* to address key financing issues as defined by the local community. The information on these issues was collected through a series of 13 facilitated regional workshops conducted during FY 1999 and FY 2000.

## **Study Workshops**

The final four workshops were conducted in November and December 1999. Each workshop consisted of a 1½-day session designed to identify barriers, impacts, strategies, and action plans to improve access to credit and capital in Indian, Alaska Native and Native Hawaiian communities. These sessions involved a broad cross section of participants, such as tribal representatives, private financial institutions, and federal and state agencies. The sessions provided opportunities for these various stakeholders to work together throughout the day and a half in defining financing issues, strategies, and action plans.

The workshops included a variety of participants: 43 percent were from Native American organizations; 24 percent were from financial institutions; and 33 percent were from federal, state, and nonprofit organizations.

## **National Financial Survey**

In addition to the workshops, the Fund conducted a National Financial Survey and an Equity Investment Roundtable meeting.

Several hundred financial surveys were sent to tribal, Alaska Native, and Native Hawaiian organizations, as well as to financial institutions located near Indian reservations, Alaska Native villages, and Native Hawaiian communities.

Themes of the survey were:

- Accessibility of bank branches, ATMs, loan products, equity investment products, and investors;
- Effectiveness of bank product offerings and outreach efforts with Native American communities;
- Barriers to financial products and services;
- Breakdown of barrier prioritization by respondent type;
- Availability of technical assistance;
- Industrial-sector financing gaps;
- Strength of internal tribal resources and policies; and
- Level of financial activity in Native American communities by type of financial institution.

The survey was completed in December 2000 and the results will be incorporated in the Fund's final report to the President and Congress.

## **Equity Investment Roundtable Meeting**

The Fund conducted the Equity Investment Roundtable meeting in November 2000 with various types of equity investors, tribal leaders, Native American entrepreneurs, federal agencies, and other interested parties. The purpose for the meeting was to bring together tribal and business leaders, federal agencies with equity enhancement or direct funding programs, private-sector equity providers, and experts who have studied the issue of accessing equity capital. Emerging domestic markets include Native American communities and appear to be a major engine of growth for job creation and innovation in rural America and must have access to equity capital. The meeting was designed to view the landscape of equity alternatives and criteria/needs, identify barriers to investing more equity into these communities, strategies to overcome the barriers, and specific actions that can be taken to improve access to equity capital. The conclusions from this meeting will be incorporated into the Fund's final report to the President and Congress.

## **POLICY AND RESEARCH INITIATIVES**

The Fund represents the largest single source of capital and technical assistance funds available to established and emerging CDFIs. As such, the Fund's policy and research agenda plays a vital role in building the CDFI industry. The Policy and Research Unit of the CDFI Fund collects and disseminates data on Fund awardees, and facilitates the development of CDFI industry-wide research initiatives. During FY 2000, the Policy and Research Unit: 1) expanded the collection of data from its Core awardees; 2) worked with the CDFI industry on a common data collection project; and 3) began to collect data from its BEA Program awardees.

### **Core Awardee Data**

For the second consecutive year, the Fund administered a survey to collect performance and outcome data from our Core awardees. The results of these surveys are presented in the following two tables.

The following table shows results for 72 of the 78 CDFIs that received Core Awards in FY 1996 and FY 1997. These 72 institutions received awards totaling \$68 million in these two years. Between the time the awardees were notified of the Fund's award and 1999, they doubled their annual lending and investing, from \$529 million in the year of award notification to over \$1 billion in FY 1999. Total financing during this period reached nearly \$3 billion. During the same time period, these institutions grew significantly, increasing their combined total assets from \$1.6 billion to \$2.6 billion.

### **Performance of 72 FY 1996 and 1997 Core Awardees From The Time They Received Notification of Award Through FY 1999**

#/dollar amount of loans and investments closed	46,191/\$3.0 billion
#/dollar amount of checking and savings accounts	174,519/\$442.5 million
# of enterprises financed	6,116
# of jobs created or retained	41,128
# of affordable housing units to be developed or rehabilitated	51,623
# of community development facilities financed	823
<b>Demographics of Awardees:</b>	
% that are low-income	72%
% that are minorities	65%
% that are women	53%

Through the annual survey, the Fund collects years of data from each Core awardee. This data allows the Fund to track trends in awardees' performance and outcomes over time. The following table shows three years of longitudinal data for 40 of the 50 FY 1997 awardees, showing their performance in the year before they were notified of the Fund's award and in the two years after. Together, these 40 CDFIs received \$30 million in Fund assistance, for an average of \$750,000 per awardee. As this table shows, these CDFIs increased their annual lending by 77% in the two years after being notified of the Fund's award. This increased financing means that, during this period, 29% more microenterprises and businesses received loans or investments, 36% more affordable housing units were developed or rehabilitated, and 32% more community facilities such as health centers, childcare centers and charter schools were financed. In the same time period, these awardees grew in size, increasing their total assets by 48%.

**Performance of FY 1997 Awardees Over Time**  
(Dollar amounts in millions)

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Number of loans and investments closed	5,047	5,277	6,327
Dollar amount of loans and investments closed	\$140.8	\$173.9	\$249.1
Number of microenterprises financed	812	862	1,050
Number of affordable housing units to be developed or rehabilitated	6,464	7,342	8,809
Number of community facilities financed	69	68	91
Awardee total assets	\$679.9	N/A	\$1,005.7

### Common Data Collection Project

As part of our commitment to strengthen the CDFI field, the Fund began working with trade associations, private funders and other key players in the industry to develop a common set of industry data. This effort is intended to support the industry in several ways. It is expected to reduce the reporting burdens on individual CDFIs who currently spend valuable time and resources reporting different data to their various investors. It should provide CDFIs with data they can use to analyze and improve their own practices. And it is intended to provide current and potential investors with the types of information they need to increase their support of the CDFI industry. This common data project is ongoing and we anticipate it will take several years to perfect. It is an ambitious effort that requires a high degree of coordination and cooperation among the trade associations and funders as we all strive to create a system that meets our needs and those of the field.

### BEA Awardee Data

In FY 2000, the Fund developed a pilot survey and administered it to a sample of 30 banks and thrifts that received BEA awards in 1998. The primary goals of this survey were to determine the impact that the BEA Program is having on the activities of participating institutions, and to determine how awardees are utilizing their award monies. Results of this pilot survey indicate that the BEA Program has been successful in helping banks to offer products and services that they may not have otherwise offered, and that BEA award monies are typically reinvested into the awardee's community development programs. Based upon feedback received from participants in this pilot survey, the Fund designed a survey that was administered to all FY 2000 BEA Program awardees. Findings from this survey will be available early in calendar year 2001.

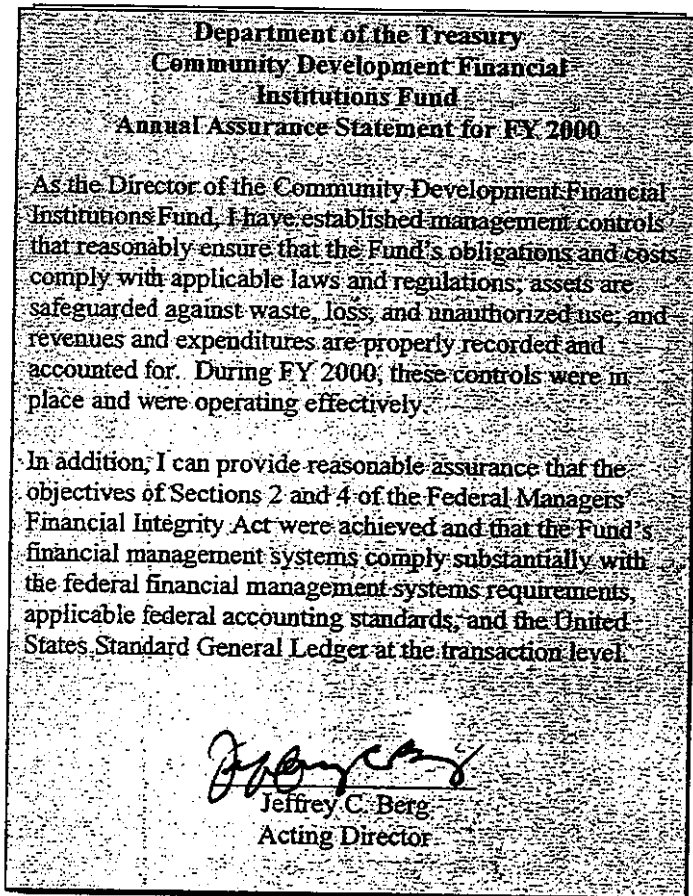


## ***STATUS OF FINANCIAL MANAGEMENT***

# STATUS OF FINANCIAL MANAGEMENT

This section includes the assurance statement as required under the Federal Managers' Financial Integrity Act, a summary of the results of the FY 2000 financial statement audit, a summary of the financial management initiatives of the Fund during FY 2000, and a discussion of our financial position and results of operations during the past fiscal year.

## Federal Managers' Financial Integrity Act Annual Assurance Statement



## Description of the CDFI Fund Financial Management System

Since the inception of the Fund, accounting services have been performed outside of the Fund by other Treasury Offices. For FY 2000, accounting services were contracted under a franchise agreement to the Bureau of the Public Debt's Administrative Resource Center (ARC) in Parkersburg, West Virginia. While the ARC maintains this accounting system as it relates to the Fund's transactions, the Fund is responsible for the accuracy of this information.

The Fund's Financial Management System includes the records and transactions maintained by ARC in their Federal Financial System (FFS), as well as procedures performed by the Fund's financial management staff in Washington, D.C. The Fund's financial management staff is directly responsible for the administrative control of its funds; financial planning, budget formulation, and execution; and review and analysis of financial information.

## Results of FY 2000 Financial Statement Audit

The Fund received an unqualified opinion on its FY 2000 financial statements. In addition, the auditors did not identify any material weaknesses, reportable conditions, nor any areas of non-compliance with laws and regulations.

As the Fund was preparing its FY 2000 financial statements, it noted that prior year financial statements included two accounting errors relating to the following:

- Appropriated Capital Used in certain prior years per the Statement of Operations incorrectly included amounts invested in awardees. Since a portion of appropriations received by the Fund is invested in awardees, in certain prior years the Fund reflected these amounts in Appropriated Capital Used to the extent investments were made. These amounts should not have been reflected in this manner; and
- Appropriated Capital Used in prior years did not include the amount of appropriations received relating to bad debt expense. A portion of the appropriations received by the Fund relate to projected losses estimated to result from loans made to awardees. Accordingly, to the extent an estimate of the amount of current year losses is reflected as an expense on the Statement of Operations, a corresponding amount should also be included in Appropriated Capital Used.

The financial statements for FY 1999 have been restated to reflect the effect of the above. This restatement has no effect on any prior year auditor opinion. Additional information on this issue can be found in the footnotes to the financial statements.

## FY 2000 Financial Management Initiatives

### Information Technology (IT)

In FY 2000, the Fund established a Technology Investment Board Executive Committee to promote the effective design and operation of major IT processes and systems. This Committee has the responsibility to review and approve the long-term capital plan for upgrading the Fund's hardware and software equipment needs.

In addition, during FY 2000, CDFI management approved funding for the design, development, and implementation of an electronic handbooks system that will allow applicant organizations to apply for CDFI funding on-line. In the near future, award recipients will be able to use this system to submit CDFI required technical and financial reports, as well as check on the status of an application prior to award. This system will meet requirements under the Government Paperwork Reduction Act and the Federal Financial Assistance Management Improvement Act. Both of these acts require federal grant-making agencies to provide on-line access to potential applicants and award recipients. Implementation of this new system is scheduled for early FY 2002.

### Compliance Monitoring

During FY 2000, the Fund hired additional staff and established an in-house Compliance Monitoring team to enforce CDFI performance requirements. The Compliance Monitoring team reviews awardee performance, financial soundness, audited financial reports, and other data submitted by award recipients to determine whether they are in compliance with the terms of their assistance agreements. During FY 2000, the Fund also established an in-house portfolio committee to review cases of awardee noncompliance. The committee meets monthly to review cases of noncompliance and recommend corrective action by the Fund. The Compliance Monitoring team and the portfolio committee maintain a list of noncompliant awardees and closely monitor their progress in reestablishing compliance with the terms of their assistance agreement.

### Management Responsibilities

The CDFI Fund management is responsible for the fair presentation of information contained in the principal financial statements, in conformity with generally accepted accounting principles. Management is also

responsible for the fair presentation of the Fund's performance measures in accordance with Office of Management and Budget requirements. The quality of the Fund's internal control structure rests with management, as does the responsibility for identification and compliance with applicable laws and regulations.

### Limitations of the Financial Statements

The financial statements included as part of this report present the financial position and results of operations of the Community Development Financial Institutions Fund for the years ended September 30, 2000, and 1999 in conformity with generally accepted accounting principles. The statements are different from the financial reports used to monitor and control budgetary resources that are prepared from the same records and are subsequently presented in federal budget documents. Therefore, readers are advised that direct comparisons are not possible between figures found in this report and similar financial concepts found in the FY 2000 Budget of the United States Government.

## Analysis of Financial Position and Results of Operations

**Summarized Financial Data**  
(amounts in millions)

	2000	1999*
Assets	\$215.6	\$184.6
Liabilities	\$72.4	\$52.9
Net Position	\$143.2	\$131.7
Revenue and Financing Sources	\$104.5	\$75.8
Expenses	\$104.7	\$76.0
Shortage of Revenue and Financing Sources Over Expenses	\$2	\$2

\* - certain amounts have been restated as explained in the footnotes to the financial statements.

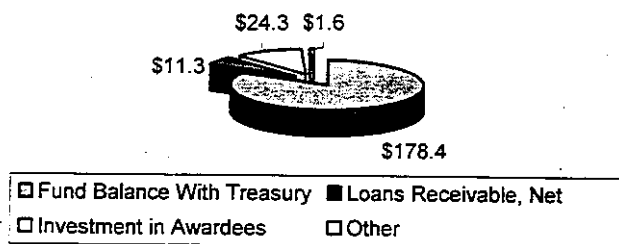
Assets increased during the year from \$184.6 million to \$215.6 million. This \$31 million increase consists primarily of a \$23 million increase in fund balance with Treasury, a \$3 million increase in loans receivable, and a \$6 million increase in investments, offset by a small decrease in advances and prepayments.

During FY 2000, the Fund received approximately \$122.4 million in new funding (appropriations, transfer funding, and amounts borrowed from Treasury) and had

net disbursements of approximately \$99.5 million. The difference of \$22.9 million represents funds received during the year but not disbursed by year-end. The bulk of this amount consists of an increase in awards payable of \$13.2 million and an increase in undelivered orders of \$5.0 million as of the end of the year.

The allocation of loans, investments, and grants provided to the Fund's awardees during any given year is based primarily on the type of matching funds an awardee is able to obtain, and is outside the control of the Fund. Accordingly, there is no specific reason for a change in the Fund's investments and loans receivable during any given year.

**Allocation of Fund Assets  
September 30, 2000  
(amounts in millions)**



## Liabilities and Net Position

The increase in liabilities during the year of approximately \$20 million consisted of an increase in awards payable of \$13.2 million and in increase in long-term debt of \$6.4 million. The increase in awards payable relates to awards under the Fund's Bank Enterprise Awards (BEA) program. The Fund received a \$20 million appropriation transfer from the Department of Housing and Urban Development during July, 2000.<sup>1</sup> Much of this funding was used to provide for BEA awards which were not awarded until September 2000 because of the lateness of the funding provided. Amounts awarded but not disbursed as of the end of the year are treated as liabilities under this program.

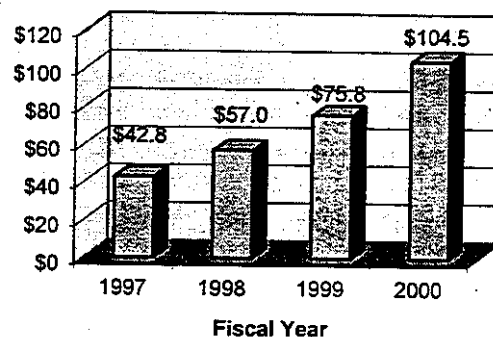
<sup>1</sup> The Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriation bill for FY 2000 included \$20 million provided to HUD relating to the cost of guaranteed loans under the America's Private Investment Companies (APIC) program. The bill stated that if the related authorizing legislation were not enacted by June 30, 2000, then this amount would be transferred to the Fund to be used for grants and loans.

The net increase in debt of \$6.4 million was used to fund loans to awardees during the year. Any loans disbursed to awardees are to be funded by borrowings from Treasury.

The \$11.5 million increase in net position consisted primarily of the excess of appropriations received and transfers-in totaling \$115.5 million, over appropriations used of \$103.8 million. The shortage of total revenue and financing sources over expenses reduced net position by \$.2 million.

## Revenue and Financing Sources, Expenses, and Shortage of Revenue and Financing Sources Over Expenses

**Revenue and Financing Sources  
(amounts in millions)**



Expenses for the year ended September 30, 2000, were approximately \$29 million higher than the previous year. This increase in expenses relates primarily to an increase in grant expenses, which were higher than the prior year because the Fund was able to obligate virtually all of its funding during the year. Although the FY 2000 appropriations were approximately the same as that of the prior year, the Fund received a transfer from HUD of the APIC funding discussed above in the amount of \$20 million, and had carryover funds from the prior year (amounts not previously obligated) of \$6.1 million. The increase in amounts obligated related primarily to grants. Amounts expended on grants are expensed, with a corresponding amount of appropriations received being treated as revenue. This explains why both revenue and expenses increased by so much (and in the same amount) during the year.

There was virtually no change in the shortage of revenue and financing sources over expenses for FY 2000 and FY 1999. As stated above, appropriated capital used relating to grant programs is recognized at the time grant amounts are expensed. Accordingly, there will be no excess or shortage of revenue over expenses relating to

the Fund's grant programs. The shortage of revenue and financing sources over expenses in both years consists of the excess of interest expense over interest and dividend income, and the amount of administrative expenses for which an appropriation was not received in the current year (which relates to the increase in accrued annual leave). This explains why the shortage of revenue and financing sources over expenses was consistent between both years and relatively small. We expect this trend to continue in future years.

## ***Reports from the Auditor***



2001 M Street, N.W.  
Washington, D.C. 20036

### **Independent Auditors' Report on Financial Statements**

The Inspector General, U.S. Department of the Treasury, and  
Director, Community Development Financial Institutions Fund:

We have audited the accompanying statements of financial position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of September 30, 2000 and 1999, and the related statements of operations and changes in net position, and cash flows for the years then ended. These financial statements are the responsibility of the CDFI Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures relating to the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund at September 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated December 21, 2000 on our consideration of the CDFI Fund's internal control over financial reporting and its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information preceding the financial statements, and presented in the appendices, is not a required part of the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

**KPMG LLP**

December 21, 2000





2001 M Street, N.W.  
Washington, D.C. 20036

## **Independent Auditors' Report on Internal Control over Financial Reporting**

The Inspector General, U.S. Department of the Treasury, and  
Director, Community Development Financial Institutions Fund:

We have audited the Statements of Financial Position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of and for the year ended September 30, 2000 and the related Statements of Operations and Changes in Net Position and Cash Flows for the year then ended, and have issued our report thereon dated December 21, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered the CDFI Fund's internal control over financial reporting by obtaining an understanding of the CDFI Fund's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02, as applicable to the CDFI Fund, and *Government Auditing Standards*. We did not test all internal controls as defined by the Federal Managers Financial Integrity Act of 1982. The objective of our audit was not to provide assurance on the CDFI Fund's internal control over financial reporting. Consequently, we do not provide an opinion on internal control over financial reporting.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses, under standards issued by the American Institute of Certified Public Accountants. Material weaknesses are conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. We noted no matters involving the internal control and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving internal control and its operation that we have reported to the management of the CDFI Fund in a separate letter dated December 21, 2000.

This report is intended solely for the information and use of the CDFI Fund's management, the U.S. Department of the Treasury's Office of Inspector General, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

December 21, 2000







2001 M Street, N.W.  
Washington, D.C. 20036

### **Independent Auditors' Report on Compliance with Laws and Regulations**

The Inspector General, U.S. Department of the Treasury, and  
Director, Community Development Financial Institutions Fund:

We have audited the Statements of Financial position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of and for the year ended September 30, 2000, and have issued our report thereon dated December 21, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The management of the CDFI Fund is responsible for complying with laws and regulations applicable to the entity. As part of obtaining reasonable assurance about whether the CDFI Fund's financial statements are free of material misstatement, we performed tests of the CDFI Fund's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to the provisions described in the preceding sentence, and did not test compliance with all laws and regulations applicable to the CDFI Fund. However, providing an opinion on compliance with laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion.

The results of our tests of compliance with the laws and regulations described in the preceding paragraph of this report, exclusive of FFMIA, disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 01-02.

Under OMB Bulletin No. 01-02 and FFMIA, we are required to perform tests of compliance with FFMIA section 803(a) requirements, which indicate whether the CDFI Fund's financial management systems substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Standard General Ledger at the transaction level. The results of our tests disclosed no instances in which the CDFI Fund's financial management systems did not substantially comply with the three requirements discussed in the preceding sentence.

This report is intended solely for the information and use of the CDFI Fund's management, the U.S. Department of the Treasury Office of the Inspector General, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

December 21, 2000



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## ***Financial Statements and Notes***

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Statements of Financial Position

As of September 30, 2000 and 1999

Assets	2000	1999
Current assets:		
Fund balance with Treasury (note 2)	\$ 178,442,285	\$ 155,468,946
Advances and prepayments	1,570,255	2,498,726
Accounts receivable	48,504	33,854
Total current assets	180,061,044	158,001,526
Long-term assets:		
Loans receivable, net of allowance for bad debts of \$3,753,889 in 2000 and \$2,737,035 in 1999	11,261,668	8,211,106
Investments (note 3)	24,323,347	18,383,447
Total long-term assets	35,585,015	26,594,553
Total assets	\$ 215,646,059	\$ 184,596,079
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 726,203	\$ 1,008,988
Awards payable	44,498,396	37,408,030
Accrued payroll	322,625	209,601
Accrued annual leave	272,251	216,200
Total current liabilities	45,819,475	38,842,819
Long-term liabilities:		
Debt (note 4)	14,971,707	8,569,939
Awards payable	11,610,984	5,455,223
Total long-term liabilities	26,582,691	14,025,162
Total liabilities	72,402,166	52,867,981
Commitments (note 5)		
Net position (notes 6 and 7)	143,243,893	131,728,098
Total liabilities and net position	\$ 215,646,059	\$ 184,596,079

The accompanying notes are an integral part of these statements.

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Statements of Operations and Changes in Net Position

Years Ended September 30, 2000 and 1999

	2000	1999 (Restated - Note 8)
Revenue and financing sources:		
Appropriated capital used	\$ 103,799,441	\$ 75,455,125
Interest, non-federal	179,488	136,922
Interest, federal	485,449	217,355
Dividends	20,864	7,828
Total revenue and financing sources	\$ 104,485,242	\$ 75,817,230
Expenses:		
CDFI grants	\$ 48,903,531	\$ 35,970,658
BEA grants	44,867,389	31,079,892
Native American Lending Study	787,638	429,764
Administrative	8,190,465	6,885,497
Bad debt expense	1,016,927	1,170,535
Total operating expenses	103,765,950	75,536,346
Federal Financing Bank/Treasury borrowing interest	945,739	513,807
Other Interest	1,820	408
Total expenses	104,713,509	76,050,561
Shortage of revenue and financing sources over expenses	\$ (228,267)	\$ (233,331)
Net position, beginning of year	\$ 131,728,098	\$ 112,424,554
Shortage of revenue and financing sources over expenses	(228,267)	(233,331)
Other changes (notes 7 and 8)	11,744,062	19,536,875
Net position, end of year	\$ 143,243,893	\$ 131,728,098

The accompanying notes are an integral part of these statements.

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Statements of Cash Flows

Years Ended September 30, 2000 and 1999

	2000	1999 (Restated)
Cash flows from operations:		
Shortage of revenue and financing sources over expenses	\$ (228,267)	\$ (233,331)
Adjustments affecting cash flow:		
Appropriated capital used	(103,799,441)	(75,455,125)
(Increase) decrease in advances and prepayments	928,471	(2,257,819)
Increase in accounts receivable	(14,650)	(11,034)
Increase in allowance for bad debts	1,016,854	1,170,535
Increase (decrease) in accounts payable and accrued payroll	(169,763)	414,778
Increase (decrease) in awards payable	13,246,128	(44,874)
Increase in accrued annual leave	56,051	81,221
Net cash used by operations	\$ (88,964,617)	\$ (76,335,649)
Cash flows from investing activities:		
Investments in awardees	\$ (5,939,900)	\$ (7,701,547)
Loans disbursed	(4,128,541)	(4,705,558)
Collection of loan principal	61,126	23,417
Net cash used by investing activities	\$ (10,007,315)	\$ (12,383,688)
Cash flows from financing activities:		
Appropriations received	\$ 95,543,503	\$ 94,992,000
Appropriations transfers-in	20,000,000	—
Borrowings from Treasury	6,922,680	4,123,913
Repayments to Treasury	(520,912)	(146,185)
Net cash provided by financing activities	121,945,271	98,969,728
Net change in Fund balance with Treasury	22,973,339	10,250,391
Fund balance with Treasury, beginning of year	155,468,946	145,218,555
Fund balance with Treasury, end of year	\$ 178,442,285	\$ 155,468,946
Supplemental disclosure - interest paid	\$ 947,559	\$ 514,215

The accompanying notes are an integral part of these statements.

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Notes to Financial Statements

September 30, 2000 and 1999

### (1) Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

CDFI Fund has historically prepared its financial statements in accordance with generally accepted accounting principles, based on accounting standards issued by the Financial Accounting Board (FASB), the private-sector standards-setting body. In October 1999, the Federal Accounting Standards Advisory Board (FASAB) was designated by the American Institute of Certified Public Accountants (AICPA) as the standards-setting body for financial statements of federal government entities, with respect to the establishment of generally accepted accounting principles. FASAB has indicated, however, that financial statements prepared based upon accounting standards published by the FASB may also be regarded as in accordance with generally accepted accounting principles for those federal entities, such as the CDFI Fund that have issued financial statements based upon FASB accounting standards in the past. Accordingly, consistent with historical reporting the CDFI Fund financial statements are presented in accordance with accounting standards published by the FASB.

#### (b) *Reporting Entity*

The Fund was created as a bipartisan initiative in the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law No. 103-325). The Fund was originally created to be a separate, independent wholly owned government corporation subject to the audit and reporting requirements of the Government Corporation Control Act. However, The Fund was placed in the Department of the Treasury and began operations on July 27, 1995.

The Fund operates various programs aimed at expanding the availability of credit, investment capital, and financial and other services in distressed urban, rural, and Native American communities. The Fund is intended to help create a national network of financial institutions dedicated to community development that leverages private resources (financial and human) to address community development needs.

The Fund operates two major programs, the CDFI Program and the Bank Enterprise Awards (BEA) Program. The CDFI Program uses limited public resources to invest in private, for-profit and non-profit financial institutions. This investment helps build the capacity of local CDFIs by leveraging large amounts of private capital and builds on private sector talent, creativity, and leadership. CDFI program awards may take the form of grants, direct loans, equity investments, or technical assistance to eligible financial institutions.

The Bank Enterprise Awards (BEA) Program provides incentives to insured depository institutions (banks and thrifts) to invest in CDFIs and to increase their lending and financial services in distressed communities. Program participants are selected based on projected achievements. The awards are disbursed only after the activities have been implemented successfully, to ensure that only completed activities are recognized and that the Fund's limited dollars are effectively leveraged with private capital.

The Fund has developed the Presidential Awards for Excellence in Microenterprise Development under the authority of a 1995 Presidential Memorandum to the Secretary of the Treasury. This Microenterprise initiative is designed to help improve the quality of organizations that provide financing and services to the nation's smallest businesses. These non-monetary awards are designed to provide recognition and share lessons learned from outstanding programs in the field of microenterprise development.

(Continued)

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

### Notes to Financial Statements

September 30, 2000 and 1999

**(c) Revenue and Financing Sources**

The Fund receives the majority of its funding through appropriations from the U.S. Congress. The Fund receives two-year appropriations that may be used, within statutory limits, for operating expenditures. Appropriations are recognized as revenues to the extent the Fund's grant programs, administrative expenses, and provision for bad debts covered by budgetary resources are incurred.

Occasionally the Fund receives dividends on its equity investments and may use those funds for operating expenditures. Additional revenue is obtained from interest received on direct loans to the public and on uninvested funds in the direct loan financing account held by the U.S. Department of the Treasury.

**(d) Fund Balance with Treasury**

The Fund does not maintain cash in commercial bank accounts. The Treasury Department processes cash receipts and disbursements. Fund Balance with Treasury is comprised primarily of appropriated and borrowed funds (financing and program accounts) which are available to pay liabilities and finance authorized award and purchase commitments.

**(e) Investments**

The Fund provides assistance to certain for-profit CDFI Program awardees by purchasing non-voting equity and convertible debt securities. The Fund considers convertible subordinated debentures to be equity investments because they exhibit sufficient characteristics of equity securities. For example, convertible subordinated debentures entitle the Fund to any dividends in the non-voting common stock into which it is convertible as if the Fund had converted the debentures into such stock prior to the declaration of the dividend. The Fund is restricted from owning more than 50 percent of the equity of awardees and cannot control their operations.

Equity investments are recorded and carried at cost. None of the related securities are publicly traded, and no market has been established for the securities.

**(f) Loans Receivable**

The Fund provides assistance by making direct loans to certain CDFI Program awardees. Loans are reported as receivables when disbursed, reduced by a 25 percent default allowance. The Office of Management and Budget negotiated a 25 percent default allowance with the Fund to estimate future losses if adequate historical information is not available. Historical information is not available, and will not be available for some time due to the following: 1) the short length of time the loans have been outstanding; and 2) the majority of loans made by the Fund require either balloon payments at maturity, or principal payments commencing shortly before the maturity date. With few exceptions, no principal payments are required for several years.

**(g) Interest Receivable**

Interest income is accrued on the outstanding loan receivable principal balances at the rate stated in the promissory notes.

(Continued)



## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

### Notes to Financial Statements

September 30, 2000 and 1999

**(h) *Property and Equipment***

Administrative offices are located in office space leased through the General Services Administration. GSA charges the Fund rent that approximates the commercial rental for similar properties. Equipment purchased, transferred or donated with a cost greater than or equal to \$50,000 per unit and a useful life of two years or more is capitalized at cost and depreciated. Other equipment is expensed when purchased. The Fund had no capitalizable equipment or other property as of September 30, 2000. Normal maintenance and repairs are expensed as incurred.

**(i) *Debt***

Debt represents borrowings payable to the Treasury Department which were made to fund direct loans made by the CDFI Program. Principal repayments to the Treasury Department are required to be made based on the collections of loans receivable.

**(j) *Annual, Sick and Other Leave***

Annual leave and compensatory leave is accrued as a liability when earned by the employee, and the accrual is reduced as leave is taken. The balance in this accrued liability account is computed using current pay rates. Sick leave and other types of non-vested leave are expensed as the leave is taken.

**(k) *Retirement Plans***

CDFI Fund employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). The FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired prior to January 1, 1984, were provided an opportunity to join either FERS and Social Security or remain in CSRS.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established, and the Fund makes a mandatory one percent contribution to this account. In addition, the Fund makes matching contributions ranging from one to four percent for FERS eligible employees who contribute to their TSP account. Matching contributions are not made to the TSP accounts established by CSRS employees.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program for retirement. In these instances, the Fund remits the employer's share of the required contribution. For CDFI Fund employees participating in CSRS, the Fund makes matching contributions to CSRS equal to 8.51 percent of base pay.

(Continued)

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

### Notes to Financial Statements

September 30, 2000 and 1999

**(l) Awards Payable**

CDFI Program grant expense is recognized and awards payable are recorded when the Fund is made aware, in writing, of the awardee's matching funds commitment and the fund approves a grant disbursement to be made. BEA grants expense is recognized and awards payable are recorded when the Fund approves the BEA award to be made (i.e. at the time the funds are obligated).

The current and long-term portions of awards payable represent amounts estimated to be paid within the next twelve months (current portion) and thereafter (long-term portion) based on prior award payment experience.

**(m) Tax Status**

The Fund, as a government corporation, is not subject to federal, state, or local income taxes and, accordingly, no provision for income tax is recorded.

**(n) Contingencies**

The Fund may be a party in various administrative proceedings, legal actions, and claims brought by or against it. The Fund's management and legal counsel are unaware of any contingencies that would materially affect the CDFI's financial position or results of operations.

**(o) Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

**(p) Reclassification**

Certain 1999 amounts have been reclassified to conform to the 2000 presentation.

**(2) Fund Balance with Treasury**

Fund balance with Treasury as of September 30, 2000 and 1999 consisted of the following components:

	2000	1999
Available	\$ 173,536	\$ 16,499,458
Obligated	176,336,694	137,225,200
Expired	1,932,055	1,744,288
Fund balance with Treasury	<u>\$ 178,442,285</u>	<u>\$ 155,468,946</u>

Fund balance with Treasury includes appropriated and borrowed funds available to pay liabilities and to finance authorized award and purchase commitments.

(Continued)

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Notes to Financial Statements

September 30, 2000 and 1999

### (3) Investments

Investments relate to capital provided to Fund awardees. The Fund is prohibited from owning more than a 50 percent interest in any awardee, and cannot control the operations of any awardee.

Investments consists of the following as of September 30, 2000 and 1999:

	2000	1999
Non-voting equity securities	\$ 18,209,465	\$ 15,059,565
Convertible debt securities	2,573,882	2,573,882
Limited partnership interest	2,000,000	—
Certificates of deposit	1,540,000	750,000
	<u>\$ 24,323,347</u>	<u>\$ 18,383,447</u>

Non-voting equity securities consist of non-voting common stock held in for-profit Fund awardees (preferred non-voting stock is held in one awardee).

Debt securities consist of non-interest bearing convertible subordinated debentures. As of September 30, 2000 and 1999 one debenture was valued at \$2 million and matures January 2048 with the option to convert into 200,000 shares of non-voting class B common stock at a \$10 per share conversion price. The other was valued at \$573,882 to mature December 2013 with an option to convert to 1,434,706 shares of non-voting class E common stock. These securities are valued at acquisition cost.

The Limited Partnership interest consists of a Class B limited partnership interest in Sustainable Jobs Fund, LP.

Certificates of deposits are investments made in awardees which are federal credit unions, and have dividend rates ranging from 0 percent to 5 percent.

### (4) Debt

Debt consists of amounts borrowed from the Treasury Department and included the following activity:

	2000	1999
Beginning balance	\$ 8,569,939	\$ 4,592,211
New borrowings	6,922,680	4,123,913
Repayments	(520,912)	(146,185)
Ending balance	<u>\$ 14,971,707</u>	<u>\$ 8,569,939</u>

(Continued)

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Notes to Financial Statements

September 30, 2000 and 1999

As of September 30, 2000, principal repayments of debt due in each of the following five years and thereafter was as follows:

2001	\$	—
2002		—
2003		396,424
2004		—
2005		—
Thereafter		14,575,283
	\$	<u>14,971,707</u>

During fiscal year 2000, the Fund borrowed \$6,769,268 to finance current year direct loan commitments and \$153,412 to meet annual interest payments due to the Treasury Department, at interest rates ranging from 6.36 percent to 6.40 percent, depending on maturity dates. Principal of \$520,912 was repaid based on collection of direct loans receivable, a deobligation of a previous loan obligation and a direct loan subsidy reestimate in the FY96 cohort.

During fiscal year 1999, the Fund borrowed \$3,966,285 to finance current year direct loan commitments and \$157,628 to meet annual interest payments due to the Treasury Department, at interest rates ranging from 5.11 percent to 5.81 percent, depending on maturity dates. Principal of \$146,185 was repaid based on collection of direct loans receivable and deobligation of a previous loan obligation.

### (5) Commitments

#### (a) Operating Leases

The Fund leases office space from the General Services Administration in the Homer Building located in Washington DC under the terms of an operating lease which expires in January 2007. The Fund also leases equipment from the Xerox Corporation under the terms of an operating lease which expires in August 2001.

Future minimum payments due under these operating leases as of September 2000 were as follows:

<u>Fiscal year</u>	<u>Minimum lease payments</u>
2001	\$ 817,343
2002	973,642
2003	1,037,446
2004	1,037,446
2005	1,037,446
Thereafter	1,296,808
	<u>\$ 6,200,131</u>

(Continued)

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Notes to Financial Statements

September 30, 2000 and 1999

### (b) Award and Purchase Commitments

As of September 30, 2000 and 1999, award commitments amounted to \$125,492,450 and \$116,263,403, respectively. Award commitments relate to awards which were approved by Fund management but not disbursed as of the end of the year. These commitments are not considered liabilities at year-end because the awardees have not met all conditions required for payment. Purchase commitments were \$3,221,658 and \$1,587,136 as of September 30, 2000 and 1999, respectively. These commitments relate to the unexpired portion of contracts, and purchase orders relating to goods and services not yet received.

### (6) Net Position

Net position as of September 30, 2000 and 1999 consisted of the following:

	2000	1999 (Restated)
Unexpended appropriations:		
Unobligated available	\$ 17,159,718	\$ 14,267,128
Unobligated expired	1,932,055	1,744,288
Undelivered orders	103,279,208	97,818,731
Total unexpended appropriations	122,370,981	113,830,147
Cumulative results of operations	20,872,912	17,897,951
	<u>\$ 143,243,893</u>	<u>\$ 131,728,098</u>

### (7) Other Changes in Net Position

Other changes in net position for the years ended September 30, 2000 and 1999 were as follows:

	2000	1999 (Restated)
Increases:		
Appropriations received	\$ 95,543,503	\$ 94,992,000
Appropriation transfers-in	20,000,000	—
Decreases - appropriations used	(103,799,441)	(75,455,125)
Changes in net position	<u>\$ 11,744,062</u>	<u>\$ 19,536,875</u>

(Continued)

# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

## Notes to Financial Statements

September 30, 2000 and 1999

### (8) Restatement

For the year ended September 30, 1999, the Fund's financial statements reflected the purchase of investments in Fund awardees as appropriated capital used (revenue) at the time of purchase, rather than when the investment declines in value. In addition, prior to FY 2000, appropriated capital used did not include an amount equal to bad debt expense. The FY 1999 financial statements have been restated to adjust for these accounting errors as follows:

	<u>Appropriated Capital Used</u>	<u>Excess of Revenue and Financing Sources over Expenses</u>	<u>Other Changes in Net Position</u>
Balances at September 30, 1999:			
As previously reported	\$ 81,986,544	\$ 6,298,088	\$ 13,005,456
Adjustments for:			
Investments	(7,701,547)	(7,701,547)	7,701,547
Allowance for bad debts	1,170,535	1,170,535	(1,170,535)
Other Interest	(407)	(407)	407
As restated	<u>\$ 75,455,125</u>	<u>\$ (233,331)</u>	<u>\$ 19,536,875</u>

	<u>Net Position</u>		
	<u>Unexpended Appropriations</u>	<u>Cumulative Results of Operations</u>	<u>Total</u>
Balances at September 30, 1999:			
As previously reported	\$ 116,566,775	\$ 15,161,323	\$ 131,728,098
Adjustments for:			
Allowance for bad debts	(2,737,035)	2,737,035	—
Other Interest	407	(407)	—
As restated	<u>\$ 113,830,147</u>	<u>\$ 17,897,951</u>	<u>\$ 131,728,098</u>

## ***APPENDICES***

## LISTING OF FY 2000 AWARDS

### Core and Intermediary Component Awardees

<b>AAFE Community Development Fund</b>		<b>Corporation for Economic Development of Harris County, Inc.</b>	
New York, NY	\$700,000	Houston, TX	\$500,000
<b>ACCION Chicago</b>		<b>Development Credit Fund, Inc.</b>	
Chicago, IL	\$1,100,000	Baltimore, MD	\$550,000
<b>ACCION New York</b>		<b>East Harlem Business Capital Corporation</b>	
Brooklyn, NY	\$1,500,000	New York, NY	\$600,000
<b>ACCION Texas</b>		<b>Economic Opportunities Fund</b>	
San Antonio, TX	\$1,500,000	Philadelphia, PA	\$295,000
<b>Alaska Growth Capital BIDCO, Inc.</b>		<b>Enterprise Corporation of the Delta</b>	
Anchorage, A	\$2,000,000	Jackson, MS	\$2,000,000
<b>Austin Community Development Corporation</b>		<b>Fairbanks Neighborhood Housing Services, Inc.</b>	
Austin, TX	\$588,000	Fairbanks, AK	\$1,235,500
<b>Business Invest in Growth, Inc.</b>		<b>Federation of Appalachian Housing Enterprises, Inc.</b>	
Austin, TX	\$150,000	Berea, KY	\$1,100,000
<b>Camacol Loan Fund, Inc.</b>		<b>Great Rivers Community Capital (GRCC)</b>	
Miami, FL	\$630,000	St. Louis, MO	\$660,000
<b>Capital District Community Loan Fund, Inc.</b>		<b>Greenwood Community Development Corporation</b>	
Albany, NY	\$530,000	Tulsa, OK	\$50,000
<b>Carolina Capital Investment Corporation</b>		<b>Hawaii Community Reinvestment Corporation</b>	
Columbia, SC	\$500,000	Honolulu, HI	\$1,000,000
<b>CDCLI Funding Corporation, Inc.</b>		<b>Hopi Credit Association</b>	
Centereach, NY	\$600,000	Keams Canyon, AZ	\$500,000
<b>Chattanooga Neighborhood Enterprise, Inc.</b>		<b>Housing Assistance Council</b>	
Chattanooga, TN	\$2,000,000	Washington, DC	\$735,000
<b>Chicago Community Loan Fund</b>		<b>Illinois Facilities Fund, The</b>	
Chicago, IL	\$1,150,000	Chicago, IL	\$2,000,000
<b>Colorado Housing Enterprises, LLC</b>		<b>Impact Seven, Inc.</b>	
Westminster, CO	\$500,000	Almena, WI	\$80,000
<b>Community and Shelter Assistance Corporation</b>		<b>Kentucky Highlands Investment Corporation</b>	
Newberg, OR	\$505,000	London, KY	\$2,250,000
<b>Community Development Ventures, Inc.</b>		<b>Lakota Fund, The</b>	
Baltimore, MD	\$2,000,000	Kyle, SD	\$330,000
<b>Community First Fund</b>		<b>Lenders for Community Development</b>	
Lancaster, PA	\$500,000	San Jose, CA	\$1,000,000
<b>Community Loan Fund of New Jersey, Inc.</b>			
Trenton, NJ	\$3,030,000		
<b>Connecticut Housing Investment Fund, Inc.</b>			
Hartford, CT	\$910,000		



**Lightstone Community Development Corporation**  
Moyers, WV \$270,000  
**Los Angeles Community Reinvestment Committee**  
Los Angeles, CA \$1,250,000  
**Low Income Housing Fund**  
San Francisco, CA \$1,000,000  
**Lower East Side People's Federal Credit Union**  
New York, NY \$337,000  
**McAuley Institute**  
Silver Spring, MD \$1,549,610  
**Nashville Housing Fund, Inc.**  
Nashville, TN \$2,000,000  
**Neighborhood Housing Services of Chicago, Inc.**  
Chicago, IL \$1,500,000  
**Neighborhood Housing Services of San Antonio, Inc.**  
San Antonio, TX \$1,000,000  
**Neighborhood Trust Federal Credit Union**  
New York, NY \$237,000  
**Neighborhoods Inc. of Battle Creek**  
Battle Creek, MI \$1,000,000  
**New Orleans Community Development Fund**  
New Orleans, LA \$530,000  
**Northcountry Cooperative Development Fund, Inc.**  
Minneapolis, MN \$230,000  
**Northeast South Dakota Economic Corporation**  
Sisseton, SD \$980,000  
**Northeast Ventures Corporation**  
Duluth, MN \$2,000,000  
**Northern California Community Loan Fund**  
San Francisco, CA \$1,500,000  
**Northern Community Investment Corporation**  
St. Johnsbury, VT \$625,000  
**Northern Economic Initiatives Corporation/ dba Northern Initiatives**  
Marquette, MI \$760,000  
**Northland Foundation**  
Duluth, MN \$750,000  
**Nuestra Development Fund**  
Roxbury, MA \$700,000

**Piedmont Housing Alliance**  
Charlottesville, VA \$550,000  
**Progressive Neighborhood Federal Credit Union**  
Rochester, NY \$1,050,000  
**Project Enterprise**  
New York, NY \$500,000  
**Rowan-Iredell Area Credit Union**  
Salisbury, NC \$150,000  
**Rural Opportunities Enterprise Center, Inc.**  
Rochester, NY \$300,000  
**Sacramento Neighborhood Housing Services, Inc.**  
Sacramento, CA \$500,000  
**Santa Cruz Community Credit Union**  
Santa Cruz, CA \$600,000  
**Seattle Economic Development Fund/ dba Community Capital Development**  
Seattle, WA \$650,000  
**Self-Help Ventures Fund**  
Durham, NC \$3,000,000  
**Shorebank BIDCO, Inc.**  
Marquette, MI \$500,000  
**Southern Development Bancorporation**  
Arkadelphia, AR \$1,000,000  
**The Reinvestment Fund**  
Philadelphia, PA \$3,000,000  
**Vermont Development Credit Union**  
Burlington, VT \$2,275,000  
**Victory - Masonic Mutual Credit Union**  
Winston-Salem, NC \$310,000  
**Village Capital Corporation**  
Cleveland, OH \$1,500,000  
**Virginia Community Development Loan Fund**  
Richmond, VA \$250,000  
**Washington Community Alliance for Self-Help**  
Seattle, WA \$200,000  
**Washington County Council on Economic Development**  
Washington, PA \$500,000  
**Ways to Work, Inc.**  
Milwaukee, WI \$2,000,000  
**North Carolina Minority Support Center, Inc.**  
Raleigh, NC \$2,030,000  
**RNA Community Builders, Inc.**  
West Rutland, VT \$1,037,000

## Bank Enterprise Award Program Awardees

<b>Albina Community Bank</b>		<b>Branch Banking and Trust Company of</b>	
Portland, OR	\$171,217	<b>South Carolina</b>	
<b>American Savings Bank, FSB</b>		Charlotte, NC	\$125,517
Honolulu, HI	\$15,000	<b>California Bank &amp; Trust</b>	
<b>Associates National Bank, Delaware</b>		San Diego, CA	\$611,725
Newark, DE	\$22,000	<b>California Federal Bank, F.S.B.</b>	
<b>Bank Calumet, N.A.</b>		San Francisco, CA	\$1,099,868
Hammond, IN	\$11,000	<b>Capital One, F.S.B.</b>	
<b>Bank of America Community</b>		Falls Church, VA	\$11,000
<b>Development Bank</b>		<b>Central Bank of Kansas City</b>	
Sarasota, FL	\$26,675	Kansas City, MO	\$191,010
<b>Bank of America, N.A.</b>		<b>Central Carolina Bank</b>	
Sarasota, FL	\$403,358	Durham, NC	\$1,100,000
<b>Bank of Brinkley</b>		<b>Central National Bank and Trust</b>	
Brinkley, AR	\$11,000	<b>Company of Enid</b>	
<b>Bank Of Cherokee County</b>		Enid, OK	\$15,000
Park Hill, OK	\$330,000	<b>Centura Bank</b>	
<b>Bank of Cushing and Trust Company</b>		Rocky Mount, NC	\$163,817
Cushing, OK	\$60,000	<b>Century National Bank</b>	
<b>Bank of Hawaii</b>		Washington, DC	\$11,000
Honolulu, HI	\$444,239	<b>Charter One Bank, F.S.B.</b>	
<b>Bank of the Ozarks</b>		Cleveland, OH	\$110,000
Little Rock, AR	\$22,000	<b>Chase Manhattan Bank, The</b>	
<b>Bank One, Illinois</b>		New York, NY	\$978,187
Chicago, IL	\$250,623	<b>Chevy Chase Bank, F.S.B.</b>	
<b>Bank One, Louisiana</b>		Chevy Chase, MD	\$195,255
New Orleans, LA	\$35,760	<b>Citibank, FSB</b>	
<b>Bank One, N.A.</b>		New York, NY	\$815,728
Columbus, OH	\$185,200	<b>Citizens Bank and Trust Company of</b>	
<b>Bank One, Texas, N.A.</b>		<b>Ardmore</b>	
Dallas, TX	\$670,291	Ardmore, OK	\$75,000
<b>Bank Plus</b>		<b>Citizens Savings Bank &amp; Trust Company</b>	
Belzoni, MS	\$75,000	Nashville, TN	\$571,278
<b>Bankers Bank, The</b>		<b>Citizens Trust Bank</b>	
Oklahoma, OK	\$30,000	Alanta, GA	\$297,000
<b>Bankers Trust (Delaware)</b>		<b>City First Bank of D.C., N.A.</b>	
Wilmington, DE	\$2,000	Washington, DC	\$1,516,916
<b>Blackfeet National Bank</b>		<b>City National Bank of New Jersey</b>	
Browning, MT	\$99,212	Newark, NJ	\$1,170,546
<b>Blue Ball National Bank</b>		<b>Cole Taylor Bank</b>	
Blue Ball, PA	\$18,000	Skokie, IL	\$156,434
<b>Borrego Springs Bank, N. A.</b>		<b>Community Bank of Lawndale</b>	
La Mesa, CA	\$72,031	Chicago, IL	\$778,342
<b>Boston Bank of Commerce</b>		<b>Community Bank of Ravenswood</b>	
Boston, MA	\$742,170	Chicago, IL	\$103,998
<b>Branch Banking and Trust Company</b>		<b>Community Capital Bank</b>	
Charlotte, NC	\$1,100,000	Brooklyn, NY	\$1,161,630

<b>Community Savings Bank</b>		<b>First Commonwealth Bank</b>	
Chicago, IL	\$82,700	Indiana, PA	\$75,000
<b>Compass Bank</b>		<b>First Community Bank, FSB</b>	
Houston, TX	\$1,068,089	Keokuk, IA	\$11,000
<b>Continental National Bank of Miami</b>		<b>First Farmers and Merchants National Bank</b>	
Miami, FL	\$326,447	Columbia, TN	\$1,851
<b>Dacotah Bank</b>		<b>First Fidelity Bank NA</b>	
Sisseton, SD	\$55,000	Oklahoma City, OK	\$112,500
<b>Dewitt Bank &amp; Trust</b>		<b>First National Bank</b>	
Dewitt, AR	\$11,000	Midwest City, OK	\$75,000
<b>Douglass National Bank</b>		<b>First National Bank and Trust Company</b>	
Kansas City, KS	\$468,900	Shawnee, OK	\$15,000
<b>Downey Savings and Loan Association, F.A.</b>		<b>First National Bank of Phillips County</b>	
Newport Beach, CA	\$1,125	Helena, AR	\$218,435
<b>Dryades Savings Bank, F.S.B.</b>		<b>First Professional Bank, N.A.</b>	
New Orleans, LA	\$583,406	Santa Monica, CA	\$52,793
<b>Dubuque Bank and Trust Company</b>		<b>First Republic Bank</b>	
Dubuque, IA	\$11,000	Los Angeles, CA	\$927,675
<b>EagleBank</b>		<b>First Security Bank and Trust Company</b>	
Bethesda, MD	\$11,000	Oklahoma, OK	\$15,000
<b>Eastman National Bank of Newkirk, The</b>		<b>First State Bank of DeQueen</b>	
Newkirk, OK	\$5,600	DeQueen, AR	\$11,000
<b>Elk Horn Bank &amp; Trust Company</b>		<b>First State Bank of Fort Collins</b>	
Arkadelphia, AR	\$33,000	Fort Collins, CO	\$5,500
<b>Enterprise Federal Savings Bank</b>		<b>First State Bank of Kansas City</b>	
Largo, MD	\$11,000	Kansas City, KS	\$40,399
<b>Evergreen Bank, N.A.</b>		<b>First Union National Bank</b>	
Latham, NY	\$35,766	Charlotte, NC	\$3,350,500
<b>Exchange Bank and Trust Company</b>		<b>Frost National Bank - Galveston</b>	
Perry, OK	\$56,250	Galveston, TX	\$45,875
<b>Farmers &amp; Merchant Bank</b>		<b>Fuji Bank and Trust Company, The</b>	
Stuttgart, AR	\$11,000	New York, NY	\$2,177,625
<b>Farmers &amp; Merchants Bank of Long Beach</b>		<b>Galena State Bank and Trust Company</b>	
Long Beach, CA	\$250,000	Galena, IL	\$11,000
<b>Farmers Exchange Bank</b>		<b>General Bank</b>	
Cherokee, OK	\$15,000	Los Angeles, CA	\$98,200
<b>Farmers National Bank</b>		<b>Harbor Bank of Maryland, The</b>	
Cynthiana, KY	\$12,788	Baltimore, MD	\$126,690
<b>First American National Bank of Pennsylvania</b>		<b>Harris Trust and Savings Bank</b>	
Everett, PA	\$47,904	Chicago, IL	\$97,725
<b>First Bank of Oak Park</b>		<b>Hawthorne Savings Bank</b>	
Oak Park, IL	\$38,143	El Segundo, CA	\$1,192,826
<b>First Bank of the Americas, SSB</b>		<b>Household Bank, F.S.B.</b>	
Chicago, IL	\$935,684	Wood Dale, IL	\$25,500
<b>First Bethany Bank &amp; Trust, N.A.</b>		<b>HSBC Bank USA</b>	
Bethany, OK	\$62,100	Buffalo, NY	\$644,925
<b>First Citizens Bank &amp; Trust Company</b>		<b>Hudson River Bank &amp; Trust Company</b>	
Raleigh, NC	\$550,000	Hudson, NY	\$71,400

<b>Illinois Service Federal Savings &amp; Loan Association</b>		<b>Park Federal Savings Bank</b>	
Chicago, IL	\$16,308	Chicago, IL	\$218,979
<b>Independence Federal Savings Bank</b>		<b>Parkvale Savings Bank</b>	
Washington, DC	\$11,000	Monroeville, PA	\$12,500
<b>Inter National Bank</b>		<b>Peoples State Bank</b>	
McAllen, TX	\$44,218	Chaplin, KY	\$11,000
<b>International Bank of Chicago</b>		<b>Pioneer Savings Bank</b>	
Chicago, IL	\$652,407	Troy, NY	\$11,300
<b>Jackson Federal Bank</b>		<b>Plantation Federal Savings Bank, Inc.</b>	
San Bernadino, CA	\$250,000	Pawleys Island, SC	\$44,682
<b>Keybank, N.A.</b>		<b>PNC Bank, F.S.B</b>	
Cleveland, OH	\$668,500	Philadelphia, PA	\$28,250
<b>Laredo National Bank</b>		<b>PNC Bank, N.A.</b>	
Laredo, TX	\$768,354	Louisville, KY	\$894
<b>Liberty Federal Bank</b>		<b>Pulaski Bank &amp; Trust Company</b>	
Hinsdale, IL	\$107,426	Little Rock, AR	\$56,788
<b>Local Oklahoma Bank, N.A.</b>		<b>Quail Creek Bank, N.A.</b>	
Oklahoma, OK	\$150,000	Oklahoma City, OK	\$24,563
<b>Lone Star National Bank</b>		<b>Regions Bank</b>	
Pharr, TX	\$46,200	Birmingham, AL	\$75,000
<b>Manufacturers and Traders Trust Company (M&amp;T Bank)</b>		<b>Republic Bank &amp; Trust Company</b>	
Buffalo, NY	\$195,752	Louisville, KY	\$161,485
<b>Mellon First Business Bank</b>		<b>Republic Bank of Norman</b>	
Los Angeles, CA	\$244,100	Norman, OK	\$75,000
<b>Merchants and Planters Bank</b>		<b>Ridgewood Savings Bank</b>	
Clarendon, AR	\$11,000	Ridgewood, NY	\$51,900
<b>Mid America Bank, FSB</b>		<b>Riverside Community Bank</b>	
Clarendon Hills, IL	\$82,500	Rockford, IL	\$11,000
<b>MidFirst Bank</b>		<b>Roslyn Savings Bank, The</b>	
Oklahoma City, OK	\$135,000	Garden City, NY	\$389,727
<b>Mutual Bank</b>		<b>San Diego National Bank</b>	
Harvey, IL	\$466,844	San Diego, CA	\$280,000
<b>NBC Bank</b>		<b>Santa Barbara Bank &amp; Trust</b>	
Pawhuska, OK	\$18,750	Santa Barbara, CA	\$5,200
<b>Neighborhood National Bank</b>		<b>Shorebank, Cleveland</b>	
San Diego, CA	\$1,244,952	Cleveland, OH	\$858,231
<b>New Mexico Bank &amp; Trust</b>		<b>South Shore Bank of Chicago, The</b>	
Albuquerque, NM	\$11,000	Chicago, IL	\$362,790
<b>New Washington State Bank, The</b>		<b>SpiritBank, N.A.</b>	
New Washington, IN	\$27,500	Tulsa, OK	\$150,000
<b>New York National Bank</b>		<b>Stillwater National Bank and Trust Company</b>	
Bronx, NY	\$389,431	Stillwater, OK	\$140,000
<b>Northern Trust Bank of Arizona</b>		<b>Stock Yards Bank &amp; Trust Company</b>	
Phoenix, AZ	\$29,495	Louisville, KY	\$11,000
<b>Northern Trust Bank Of Florida, N.A.</b>		<b>Strata Bank</b>	
Miami, FL	\$14,530	Medway, MA	\$11,000
<b>Northern Trust Company, The</b>		<b>SunTrust Bank, Atlanta</b>	
Chicago, IL	\$616,382	Atlanta, GA	\$146,224
		<b>TCF National Bank, Illinois</b>	
		Burr Ridge, IL	\$124,810

**Tokai Bank of California**  
 Los Angeles, CA \$62,643  
**Union Bank of Florida**  
 Plantation, FL \$11,000  
**Union Planters Bank National Association**  
 Cordova, TN \$130,000  
**United Citizens Bank & Trust Co.**  
 Campbellsburg, KY \$11,000  
**United Commercial Bank**  
 San Francisco, CA \$249,342  
**Unity National Bank of Houston**  
 Houston, TX \$990,000  
**Universal Federal Savings Bank**  
 Chicago, IL \$23,500

**Viking Community Bank**  
 Seattle, WA \$124,430  
**Wachovia Bank**  
 Raleigh, NC \$1,100,000  
**Wainwright Bank and Trust**  
 Boston, MA \$275,333  
**Washington Mutual Bank**  
 Stockton, CA \$3,289,00  
**Wells Fargo Bank Minnesota, N.A.**  
 Minneapolis, MN \$150,000  
**Wells Fargo Bank, N.A.**  
 Los Angeles, CA \$31,500  
**Western Financial Bank**  
 Irvine, CA \$248,670  
**Williamsport National Bank**  
 Williamsport, PA \$19,991  
**Wisconsin Community Bank**  
 Cottage Grove, WI \$11,000

### FY 2000 Technical Assistance Awardees

**ACEnet Ventures**  
 Athens, OH \$53,000  
**Alaska Growth Capital BIDCO, Inc.**  
 Anchorage, AK \$61,000  
**Berean Federal Savings Bank**  
 Philadelphia, PA \$50,000  
**Berlin Economic Development Corporation**  
 Berlin, NH \$52,000  
**Biddeford Saco Area Economic Development Corporation**  
 Saco, ME \$32,000  
**Central Brooklyn Federal Credit Union**  
 Brooklyn, NY \$65,000  
**Chicago Community Loan Fund**  
 Chicago, IL \$30,000  
**Cincinnati Development Fund**  
 Cincinnati, OH \$37,500  
**Community Assets for People**  
 Stevens Point, WI \$40,000  
**Community Lending & Investment Corporation**  
 Jersey City, NJ \$38,000  
**Community Transportation Development Lending Services**  
 Washington, DC \$65,000

**Community Trust Federal Credit Union**  
 Apopka, FL \$50,000  
**Denver Neighborhood Housing Fund**  
 Denver, CO \$25,000  
**EFN Housing Development Fund, L.L.C.**  
 Omaha, NE \$50,000  
**Enterprise Funding Corporation**  
 Atlanta, GA \$25,000  
**Family Assets, L.L.C.**  
 Bridgeport, CT \$40,000  
**First State Community Loan Fund, Inc.**  
 Wilmington, DE \$28,000  
**Florida Community Loan Fund, Inc.**  
 St. Petersburg, FL \$50,000  
**Gateway Credit Union**  
 Henderson, NC \$37,000  
**Gateway Economic Development Corporation**  
 Helena, MT \$30,000  
**Grow Iowa Foundation, Inc.**  
 Orient, IA \$47,500  
**Hope Community Credit Union**  
 Jackson, MS \$44,000  
**Housing Development Loan Fund of Fairfield City, Inc.**  
 Stamford, CT \$30,000

**Housing Resources of Columbia County, Inc.**  
Hudson, NY \$46,000  
**Impact Loan Fund, Inc.**  
Philadelphia, PA \$50,000  
**Institute for Community Economics**  
Springfield, MA \$95,000  
**Iowa Community Capital**  
Iowa City, IA \$80,000  
**Kahuku Federal Credit Union**  
Kahuku, HI \$25,000  
**Latino Community Credit Union**  
Durham, NC \$61,000  
**Lenders for Community Development**  
San Jose, CA \$47,500  
**May Coalition, Inc.**  
SprucePine, NC \$20,000  
**McAllen Affordable Homes**  
McAllen, TX \$27,000  
**Metropolitan Community Credit Union**  
Washington, NC \$39,850  
**Mountain Assoc. for Community Economic Development, Inc.**  
Berea, KY \$52,000  
**Native American Development Corporation**  
Billings, MT \$50,000  
**Neighborhood Finance Corporation**  
Des Moines, IA \$42,550  
**Neighborhood Housing Services of New Britain, Inc.**  
New Britain, CT \$50,000  
**Neighborhood Housing Services of San Antonio**  
San Antonio, TX \$50,000  
**Neighborhoods Inc. of Battle Creek**  
Battle Creek, MI \$59,000  
**New York Community Investment Company L.L.C.**  
New York, NY \$40,000  
**NHS of Davenport**  
Davenport, IA \$50,000  
**North Dade Community Development Federal Credit Union**  
Miami, FL \$50,000  
**Northeast Credit Union**  
Kansas City, MO \$40,000  
**Northern Economic Initiatives Corporation d/b/a Northern Initiatives**  
Marquette, MI \$35,000

**Northside Community Development Fund**  
Pittsburgh, PA \$50,000  
**O.U.R. Federal Credit Union**  
Eugene, OR \$40,000  
**Portage Area Development Corporation**  
Ravenna, OH \$35,000  
**PPEP Microbusiness and Housing Development Corporation, Inc.**  
Tucson, AZ \$39,000  
**Quitman County Federal Credit Union**  
Marks, MA \$69,000  
**Restoration Capital Fund, Inc.**  
Brooklyn, NY \$38,000  
**Rowan-Iredell Area Credit Union**  
Salisbury, NC \$58,000  
**Seattle Economic Development Fund d/b/a Community Capital Development**  
Seattle, WA \$43,500  
**Shorebank Enterprise Pacific**  
Ilwaco, WA \$50,000  
**South East Community Credit Union**  
Wilmington, NC \$41,000  
**Southeast Rural Community Assistant Project, Inc.**  
Roanoke, VA \$28,000  
**Springfield Neighborhood Housing Services, Inc.**  
Springfield, MA \$40,000  
**Syracuse Cooperative Federal Credit Union**  
Syracuse, NY \$64,500  
**The Illinois Facilities Fund**  
Chicago, IL \$50,000  
**The Southbank Fund, Inc.**  
Newport, KY \$48,000  
**Tri-County Community Loan Fund**  
Bridgeton, NJ \$42,475  
**Union Settlement FCU**  
New York, NY \$47,500  
**Unitarian Universalist Affordable Housing Corporation**  
Washington, DC \$44,500  
**Vermont Development Credit Union**  
Burlington, VT \$70,000  
**West Philadelphia Financial Services Institution**  
Philadelphia, PA \$50,000  
**YWCA of Birmingham/YW Homes**  
Birmingham, AL \$46,500

*Certified CDFIs as of September 30, 2000*

*Appendix B*

<i>Organization</i>	<i>City</i>	<i>Organization</i>	<i>City</i>
<b>Alaska</b>		<b>Colorado</b>	
Alaska Growth Capital BIDCO, Inc.	Anchorage	Colorado Enterprise Fund (formerly	
Anchorage Neighborhood Hsing Services Inc.	Anchorage	Greater Denver Local Dev. Corp	Denver
Fairbanks Neighborhood Hsing Services, Inc.	Fairbanks	Colorado Housing Assistance Corporation	Denver
Haa Yakaawu Financial Corporation	Juneau	Colorado Housing Enterprises, Inc.	Westminster
Rural Alaska Investment and Finance Corp.	Anchorage	Denver Neighborhood Housing Fund	Denver
Tinaa Corporation	Juneau	Funding Partners for Housing Solutions, Inc.	Loveland
Tlingit-Haida Regional Hsing Authority	Juneau	Mutual Financial Services, Inc.	Denver
		Saguache County Credit Union	Moffat
<b>Alabama</b>		<b>Connecticut</b>	
Birmingham Community Dev. Corp, Inc.	Birmingham	Bridgeport Neighborhood Fund, Inc.	Bridgeport
Demopolis Federal Credit Union	Demopolis	Connecticut Housing Investment Fund, Inc.	Hartford
Federation of Greene County Emp. FCU	Eutaw	Cooperative Fund of New England, Inc.	Hartford
		Greater New Haven Comm Loan Fund Inc.	New Haven
New Hope Community Development FCU	Birmingham	HsingDev Fund of Lower Fairfield County	Stamford
Prichard Federal Credit Union	Prichard	Need Action Federal Credit Union	Waterbury
Stillman Community Development FCU	Tuscaloosa	Neighborhood Hsing Services of New Britain, Inc.	New Britain
<b>Arkansas</b>		<b>District of Columbia</b>	
Arkansas Enterprise Group	Arkadelphia	CityFirst Bank of D.C. N.A.	Washington
College Station Community FCU	College Station	Cornerstone Inc.	Washington
Elk Horn Bank & Trust Company	Arkadelphia	FINCA USA Inc.	Washington
First National Bank of Phillips County	Arkadelphia	H Street Finance Corporation	Washington
Phillips County Self-Help Federa	Helena	National Economic Opportunity Fund	Washington
Southern Development Bancorporation	Arkadelphia	Raza Development Fund Inc.	Washington
		Unitarian Universalist Affordable Hsing Corp	Washington
		Washington Area Community Invest Fund	Washington
<b>Arizona</b>		<b>Delaware</b>	
Arizona Multibank, CDC	Phoenix	Delaware Comm Investmt Corp (DCIC)	Wilmington
Neighborhood Hsing Services of Phoenix Inc.	Phoenix	Intrust USA, Ltd.	Wilmington
PPEP Microbsness and Hsing Dev. Corp., Inc.	Tucson		
Self-Employment Loan Fund, Inc.	Phoenix		
<b>California</b>		<b>Florida</b>	
ACCION San Diego	San Diego	BAC Funding Corporation	Miami
Asian Pacific Revolving Fund of Los Angeles	Los Angeles	Business Loan Fund of the Palm Beaches Inc.	West Palm Beach
California Coastal Rural Dev. Corp	Salinas	Community Equity Investments, Inc.	Pensacola
California Community Reinvestment Corp.	Glendale	Community Trust Federal Credit Union	Apopka
Clearinghouse Community Dev. Fin. Inst.	Lake Forest	Continental National Bank of Miami	Miami
Community Bank of the Bay	Oakland	Florida Community Capital Corporation	Orlando
Community Commerce Bank (formerly		Florida Community Loan Fund, Inc.	Orlando
Community Thrift and Loan)	Los Angeles	Lee County Emp. and Economic Dev	Ft. Myers
Episcopal Community Federal Credit Union	Los Angeles	Metro Broward Economic Dev. Corp	Ft. Lauderdale
Inglewood Neighborhood Hsing Services Inc.	Inglewood	Metro Savings Bank F.S.B.	Orlando
Lenders for Community Development	San Jose	Neighborhood Housing & Dev. Corp	Gainesville
Los Angeles Comm. Reinvestment Comm.		Partners for Self-Employment (d.b.a.	
(dba Community Financial RC)	Los Angeles	Working Capital Florida)	
Low Income Housing Fund	Oakland	Tampa Bay Black Business Investment Corp.	Tampa
Mission Area Federal Credit Union	San Francisco	Tampa Bay Community Reinvestment Corporation	Tampa
Mission Community Bank, N.A.	San Luis Obispo		
Neighborhood National Bank	San Diego		
NHS Neighborhood Lending Services Inc.	Los Angeles		
Northeast Community Federal Credit Union	San Francisco		
Northern California Community Loan Fund	San Francisco		
Pasadena Development Corporation	Pasadena		
Riverside County Comm Invest. Corporation	Riverside		
Rural Community Assistance Corporation	West Sacramento		
Sacramento Neighborhood Hsing Serv., Inc.	Sacramento		
Santa Cruz Community Credit Union	Santa Cruz		
South Central People's Federal Credit Union	Los Angeles		
Valley Small Business Dev. Corporation	Fresno		
Women's Ec. Ventures of Santa Barbara	Santa Barbara		
		<b>Georgia</b>	
		Carver State Bank	Savannah
		Citizens Trust Bank	Atlanta
		Community Redev. Loan & Investment Fund	Atlanta
		Fulton County Development Corporation (d.b.a.	Atlanta
		Savannah Community Development Corporation	Savannah
		Unified Singers Federal Credit Union	Thomasville

<i>Organization</i>	<i>City</i>
<b>Hawaii</b>	
Hawaii Community Loan Fund	Honolulu
Hawaii Community Reinvestment Corporation	Honolulu
Kahuku Federal Credit Union	Kahuku
Ka'u Federal Credit Union	Na'alehu
Kekaha Federal Credit Union	Kekaha
MEO Business Development Corporation	Wailuku
Pacific Gateway Center (formerly The Immigrant Center)	Honolulu

<b>Iowa</b>	
Grow Iowa Foundation, Inc.	Orient
Neighborhood Finance Corporation	Des Moines
Neighborhood Hsng Services of Davenport	Davenport

<b>Idaho</b>	
Neighborhood Housing Services Inc.	Boise

<b>Illinois</b>	
ACCION Chicago	Chicago
Austin/West Garfield Federal Credit Union	Chicago
CEDA Community Development Fund	Chicago
Chicago Assoc. of Neighborhood Dev.	
Organizations City-Wide CDC	Chicago
Chicago Community Loan Fund	Chicago
Christian Hope Credit Union	Chicago
Community Bank of Lawndale	Chicago
Community Collaboration for Ec. Dev.	Champaign
Community Investment Corporation	Chicago
FBA Bancorp. Inc.	Chicago
First Mutual Bancorp. of Illinois, Inc.	Harvey
IBC Bancorp. Inc.	Chicago
Illinois Facilities Fund	Chicago
Illinois Ventures for Comm. Action (IVCA)	Springfield
International Bank of Chicago	Chicago
Mutual Bank	Harvey
National Equity Fund Inc.	Chicago
Neighborhood and Family Investment Fund	Harvey
Neighborhood Hsng Services of Chicago, Inc.	Chicago
Neighborhood Lending Services	Chicago
Nonprofit Financial Center	Chicago
NorthSide Community Federal Credit Union	Chicago
Pan American Bank	Chicago
Partners for Comm. Inv. (d.b.a. FaithCorp Fund	Chicago
Sable Bancshares Inc.	Chicago
Shorebank Corporation	Chicago
South Shore Bank of Chicago	Chicago
Women's Self-Employment Project	Chicago

<b>Indiana</b>	
Eastside Community Fund Inc.	Indianapolis
Indianapolis Nbrhd Housing Partnership, Inc.	Indianapolis
Lafayette Nbrhd Housing Services, Inc.	Lafayette
Near Eastside Comm. Federal Credit Union	Indianapolis

<b>Kansas</b>	
Communities United Credit Union	Wichita
Community Hsng Services Wichita/Sedgwick County	Wichita
Douglass National Bank	Kansas City

<i>Organization</i>	<i>City</i>
<b>Kentucky</b>	
Central Appalachian Peoples FCU	Berea
Community Ventures Corporation	Lexington
Federation of Appalachian Hsng Enterprises	Berea
Housing Foundation Inc.	Marion
Human/Economic Development Corporation	Berea
Kentucky Highlands Investment Corporation	London
Louisville Central Development Corporation	Louisville
Louisville Community Development Bank	Louisville
Louisville Development Bancorp. Inc.	Louisville
Mountain Association for Community Economic Development	Berea
Southern Kentucky Economic Dev. Corp.	Somerset

<b>Louisiana</b>	
ASI Federal Credit Union	Harahan
Dryades Savings Bank, F.S.B.	New Orleans
Gulf Coast Business and Industrial Dev. Corp.	Baton Rouge
Louisiana Community Development Capital Fund BIDCO Inc.	Baton Rouge
Neighborhood Hsng Svcs. of New Orleans.	New Orleans
Northeast Louisiana Delta Comm. Dev.	Tallulah

<b>Massachusetts</b>	
Boston Bank of Commerce	Boston
Boston Community Capital Inc.	Boston
Boston Community Loan Fund	Boston
Boston Community Ventures Fund	Boston
Cape and Islands Comm. Dev Inc.	Hyannis
D. Edward Wells Federal Credit Union	Springfield
Dorchester Bay Neighborhood Loan Fund	Dorchester
Institute for Community Economics	Springfield
Jobs for Fall River, Inc.	Fall River
Local Enterprise Assistance Fund	Boston
Massachusetts Housing Invstmnt. Corp.	Boston
Nuestra Development Fund	Roxbury
Peer Partnerships, Inc. (d.b.a. Working Capital)	Cambridge
South End Federal Credit Union	Boston
Springfield Neighborhood Hsng Svcs Inc.	Springfield
WCHR Securities, Inc.	Worcester
Western Massachusetts Enterprise Fund Inc.	Greenfield

<b>Maryland</b>	
Baltimore Regional Community Development	Baltimore
Calvert Social Investment Foundation	Bethesda
Comm. Development Financing Corporation	Baltimore
Community Development Ventures, Inc.	Baltimore
Enterprise Foundation Inc.	Columbia
Enterprise Social Investment Corporation	Columbia
First Combined Community FCU	Landover
McAuley Institute	Silver Spring
Salisbury Neighborhood Housing Services	Salisbury
St. Mary's County Community Dev. Corp.	California

<b>Maine</b>	
Biddeford-Saco Area Economic Development Corporation	Saco
Coastal Enterprises, Inc.	Wiscasset
LaVallee Federal Credit Union	Madawaska
Western Maine Finance (formerly Growth Council of Oxen Hills)	South Paris



<i>Organization</i>	<i>City</i>
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### ***Michigan***

Community Capital Development Corporation	Flint
Greater Detroit BIDCO Inc.	Detroit
Michigan Housing Trust Fund	Lansing
Neighborhoods Inc. of Battle Creek	Battle Creek

### ***Minnesota***

Anoka Sherburne County Capital Fund	Coon Rapids
Initiative Foundation formerly Central Minnesota Initiative Fund)	Little Falls
Midwest Minnesota Community Development Corporation	Detroit Lakes
Minneapolis Consortium of Comm. Develprs	Minneapolis
Minnesota Investment Network Corporation	Minneapolis
Neighborhood Development Center, Inc.	St. Paul
North Star Community Development Corp.	Duluth
Northcountry Cooperative Development Fund	Minneapolis
Northeast Entrepreneur Fund Inc.	Virginia
Northland Foundation	Duluth
Southside Neighborhood Housing Services of Minneapolis Inc.	Minneapolis
Wendell Phillips Community Dev. FCU	Minneapolis

### ***Missouri***

Central Bank of Kansas City	Kansas City
Great Rivers Community Capital	St. Louis
Housing and Economic Dev. Financial Corp.	Kansas City
Northeast Credit Union	Kansas City

### ***Mississippi***

Delta Foundation, Inc.	Greenville
East Mississippi Development Corporation	Meridian
ECD Investments, LLC	Jackson
Enterprise Corporation of the Delta	Jackson
Minority Capital Fund of Mississippi, Inc.	Jackson
Quitman County Federal Credit Union	Marks

### ***Montana***

Blackfeet National Bank	Browning
Gateway Economic Development Corporation	Helena
Montana Comm. Development Corporation	Missoula
Native American Development Corp.	Billings

<i>Organization</i>	<i>City</i>
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### ***North Carolina***

Charlotte-Mecklenburg Hsng Partnership Inc.	Charlotte
College Heights Credit Union	Fayetteville
East Carolina Community Development, Inc.	Beaufort
MAY Coalition, Inc.	Spruce Pine
Metropolitan Community Credit Union	Washington
Micro-Enterprise Loan Program of Winston-Salem	Winston-Salem
Forsyth County Inc.	
Neighborhood Housing Services of Asheville Carolina	Asheville
North Carolina Comm. Dev Initiative Capital, Inc.	Raleigh
North Carolina Institute of Minority Economic Development, Inc.	Raleigh
North Carolina Minority Support Center, Inc.	Durham
Rowan-Iredell Area Credit Union	Salisbury
School Workers Federal Credit Union	Charlotte
School Workers Federal Credit Union	Charlotte
Self-Help Credit Union	Durham
Self-Help Ventures Fund	Durham
South East Community Credit Union	Wilmington
St. Luke Credit Union	Windsor
Sustainable Jobs Fund, LP	Durham
Tri County Credit Union	Ahoscie
Victory - Masonic Mutual Credit Union	Winston-Salem
Lake Agassiz Regional Dev. Corp	Fargo

### ***Nebraska***

Nebraska Microenterprise Partnership Fund	Walthill
Omaha 100 Incorporated	Omaha

### ***New Hampshire***

Berlin Economic Dev. Council, Inc.(BEDCO)	Berlin
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### ***New Jersey***

Camden Community Credit Union	Camden
City National Bank of New Jersey	Newark
Comm. Lending & Investment Corporation of Jersey City	Jersey City
Community Loan Fund of New Jersey, Inc.	Trenton
Cooperative Business Assistance Corporation	Camden
La Casa Federal Credit Union	Newark
Nghrbd.Housing Services of Trenton, Inc.	Trenton
New Comm. Development Loan Corporation	Newark
New Community Federal Credit Union	Newark
Union County Ec.Development Corporation	Union

### ***New Mexico***

ACCION New Mexico	Albuquerque
Neighborhood Hsng Services of Santa Fe, Inc.	Santa Fe
Santa Fe Community Housing Trust	Santa Fe
Women's Economic Self-Sufficiency Team	Albuquerque

### ***Nevada***

Enterprise Community Federal Credit Union	Las Vegas
Rural Nevada Development Corp.	Ely

<i>Organization</i>	<i>City</i>
<b>New York</b>	
ACCION New York	Brooklyn
Adirondack Economic Dev. Corp	Saranac Lake
Alternatives Federal Credit Union	Ithaca
Audubon Partnership for Ec Dev LDC	New York
Bethex Federal Credit Union	Bronx
Bridge Street AWME Church FCU	Brooklyn
Brooklyn Ecumenical Federal Credit Union	Brooklyn
Buffalo Economic Renaissance Corporation	Buffalo
CAMBA Economic Development Corporation	Brooklyn
Capital District Community Loan Fund, Inc.	Albany
CDCLI Funding Corporation, Inc.	Centereach
Central Brooklyn Federal Credit Union	Brooklyn
Central Harlem Local Dev Corporation	New York
Community Dev Venture Capital Alliance	New York
Community Partnership Dev Corp	New York
Community Preservation Corporation	New York
Corporation for Supportive Housing	New York
Credit Incorporated	Bronx
East Harlem Business Capital Corporation	New York
Genesee Co-Op Federal Credit Union	Rochester
Greater Jamaica Local Development Co., Inc.	Jamaica
Greater Rochester Housing Partnership	Rochester
Grow America Fund, Inc.	New York
Home Headquarters Inc.	Syracuse
Homesteaders Federal Credit Union	New York
Housing Resources of Columbia County, Inc.	Hudson
Jubilee Community Loan Fund Inc.	Buffalo
Local Initiatives Support Corporation	New York
Long Island Small Bus Assistance Corporation	Plainview
Lower East Side People's FCU	New York
Manhattan Borough Development Corporation	New York
Nassau-Suffolk Business Dev Fund LLC	Centereach
National Federation of Comm. Dev Credit Unions	New York
Neighborhood Hsing Svcs of New York City	New York
New York National Bank	Bronx
North/East Brooklyn Comm. Cap Corp	Brooklyn
Parodneck Foundation, Inc.	New York
Primary Care Development Corporation	New York
Progressive Neighborhood FCU	Rochester
Project Enterprise	New York
Regional Economic Dev. Assistance Corp.	Brooklyn
Renaissance Economic Dev. Corp	New York
Restoration Capital Fund, Inc.	Brooklyn
Roberto Clemente Federal Credit Union	Bronx
Rural Opportunities Enterprise Center, Inc.	Rochester
St. Charles Borromeo Federal Credit Union	New York
Structured Employment Ec. Dev. (Seedco)	New York
Syracuse Cooperative Fedal Credit Union	Syracuse
Syracuse Neighborhood Hsing Services Inc.	Syracuse
Union Settlement Federal Credit Union	New York
Utica Neighborhood Housing Services Inc.	Utica
Washington Heights and Inwood Dev. Corp.	New York
Westchester Housing Fund Inc.	Hawthorne
Women's Venture Fund Inc.	New York
Worker Ownership Resource Center	Geneva

<i>Organization</i>	<i>City</i>
<b>Ohio</b>	
ACEnet Ventures, Inc.	Athens
Avondale Community Federal Credit Union	Cincinnati
Cincinnati Development Fund	Cincinnati
Columbus Growth Fund, Inc.	Columbus
Cornerstone Homesource Regional Loan Fund	Cincinnati
Enterprise Community Fund	Akron
Enterprise Development Corporation	The Plains
Neighborhood Hsing Services of Toledo, Inc.	Toledo
Portage Area Development Corporation	Ravenna
Shorebank Cleveland (formerly Shore Bank & Trust Company)	Cleveland
Toledo Urban Federal Credit Union	Toledo
Village Capital Corporation	Cleveland
<b>Oklahoma</b>	
Bank of Cherokee County, Inc.	Park Hill
Cherokee Nation Economic Dev Trust Authority	Tahlequah
Greenwood Community Dev. Corp	Tulsa
Neighborhood Housing Svcs of Ok. City, Inc.	Oklahoma City
Oklahoma City Northeast Inc.	Oklahoma City
Oklahoma MetaFund Comm. Development Corporation	Oklahoma
Rural Enterprises of Oklahoma, Inc.	Durant
Tulsa Economic Development Corporation	Tulsa
<b>Oregon</b>	
Albina Community Bancorp	Portland
Community and Shelter Assistance Corp.	Newberg
O.U.R. Federal Credit Union	Eugene
<b>Pennsylvania</b>	
Aliquippa Alliance for Unity & Dev Inc.	Aliquippa
Aliquippa Regional Credit Union	Aliquippa
American Street Financial Services Center	Philadelphia
Berean Federal Savings Bank	Philadelphia
Borinquen Federal Credit Union	Philadelphia
Ceiba, Inc.	Philadelphia
Community Capital Works	Philadelphia
Community Financial Resources, Inc.	Barnesboro
Community First Fund	Lancaster
Community Loan Fund of Southwestern PA	Pittsburgh
Economic Opportunities Fund	Philadelphia
Hill District Federal Credit Union	Pittsburgh
Impact Loan Fund, Inc.	Philadelphia
Mon Valley Initiative	Homestead
Murex Investment, Inc.	Philadelphia
National Community Capital Association (NACDLF)	Philadelphia
Neighborhood Hsing Services of Reading, Inc.	Reading
New Horizons Community FCU	Philadelphia
North Philadelphia Financial Partnership	Philadelphia
Pennsylvania Appalachian Capital Alliance	Harrisburg
Philadelphia Neighborhood Hsing Svcs, Inc.	Philadelphia
Progress Fund, The	Holidaysburg
Reinvestment Fund (formerly Delaware Valley Community Reinvestment Fund)	Philadelphia
Rural Enterprise Development Corporation	Bloomsburg
Sto-Rox Community	McKees Rocks
United Bank of Philadelphia	Philadelphia
Washington County Council on Economic Development	Washington
West Philadelphia Financial Services Inst.	Philadelphia

<i>Organization</i>	<i>City</i>
<b>Puerto Rico</b>	
COEDUVICA (Corporation for Economic Urban Housing Dev. of Catano)	Catano
Ponce Neighborhood Housing Services Inc.	Ponce
<b>Rhode Island</b>	
Oasis Community Development FCU	Providence
<b>South Carolina</b>	
Carolina Capital Investment Corporation	Columbia
Native Island Business & Community Affairs Association, Inc.	Hilton Head
<b>South Dakota</b>	
Lakota Fund	Kyle
Northeast South Dakota Ec. Corp	Sisseton
South Dakota Rural Enterprise Inc.	Sioux Falls
<b>Tennessee</b>	
Bethlehem Community Development CU	Chattanooga
Chattanooga Community Dev Financial Institution	Chattanooga
Chattanooga Neighborhood Enterprise	Chattanooga
Citizens Savings Bank & Trust Co.	Nashville
Nashville Housing Fund, Inc.	Nashville
<b>Texas</b>	
ACCION Texas, Inc	San Antonio
Austin Community Development Corporation	Austin
Businesses Invest in Growth (BIG)	Austin
CEN-TEX Certified Development Corporation	Austin
Corp. for Economic Development of Harris County, Inc.	Houston
Council for South Texas Economic Progress	McAllen
East Austin Community Federal Credit Union	Austin
Greater Brownsville Comm. Dev. Corp	Brownsville
Greater Houston Small Business Eq Fund, Inc.	Houston
Heart of Texas Business Resource Center	Waco
Laredo - Webb Neighborhood Hsng Svcs, Inc.	Laredo
McAllen Affordable Homes, Inc.	McAllen
Mexican American Network of Odessa Inc.	Odessa
Nhbrhd Hing Services of Dimmit County Inc.	Carrizo Springs
Nhbrhd Housing Services of San Antonio, Inc.	San Antonio
Neighborhood Housing Services of Waco	Waco
Rural Development & Finance Corporation	San Antonio
San Antonio Business Development Fund	San Antonio
Southern Dallas Development Corporation	Dallas
Unity National Bank of Houston	Houston
Weslaco Catholic Federal Credit Union	Weslaco
William Mann Jr. Community Dev. Corp	Fort Worth

<i>Organization</i>	<i>City</i>
<b>Virginia</b>	
Ethiopian Comm. Dev. Council Inc.	Arlington
NCP Community Development FCU	Norfolk
Neighborhood Housing Services of Richmond	Richmond
New Enterprises Fund, Inc.	Christiansburg
Newport News Neighborhood FCU	Newport News
Piedmont Housing Alliance	Charlottesville
Richmond Economic Development Corp	Richmond
Southeast Rural Comm. Assistance Project	Roanoke
Virginia Community Development Fund, Inc.	Richmond
Virginia Community Development Loan Fund	Richmond
Virginia Foundation for Housing Preservation	Richmond
<b>Virginia</b>	
Virgin Islands Capital Resources, Inc.	St. Thomas
<b>Vermont</b>	
RNA Community Builders, Inc.	West Rutland
Vermont Community Loan Fund	Montpelier
Vermont Development Credit Union	Burlington
<b>Washington</b>	
Cascadia Revolving Fund	Seattle
Seattle Economic Development Fund (d.b.a Community Capital Development)	Seattle
Shorebank Enterprise Pacific	Ilwaco
Snohomish County Private Industry Council	Everett
Timber Country Community FCU	Morton
Washington Association of Minority Entrepreneurs	Yakima
Wash Community Alliance for Self-Help	Seattle
Wash Community Development Loan Fund	Seattle
Wash Community Reinvestment Association	Seattle
<b>Wisconsin</b>	
Dane Fund	Madison
Impact Seven, Inc.	Almena
Legacy Bancorp Inc.	Milwaukee
Legacy Bank	Milwaukee
Martin Luther King EcDev Corporation	Milwaukee
Racine Development Group	Racine
Ways to Work	Milwaukee
Wisconsin Women's Business Initiative Corp	Milwaukee
<b>West Virginia</b>	
Community Works in West Virginia, Inc.	Big Chimney
Lightstone Community Dev. Corp	Moyers
<b>Utah</b>	
Neighborhood Housing Services of Provo, Inc.	Provo
Salt Lake Neighborhood Hsng Services, Inc.	Salt Lake City
Utah Microenterprise Loan Fund	Salt Lake City

## **GLOSSARY OF TERMS**

### **Bank**

Any organization engaged in any or all of the various functions of banking, i.e., receiving, collecting, transferring, paying, lending, investing, dealing, exchanging, and servicing (safe deposit, custodianship, agency, trusteeship) money and claims to money both domestically and internationally. In its more specific sense, the term bank refers to institutions providing deposit facilities for the general public, including insured depository institutions. Banking institutions may be classified into two broad groups: (1) commercial banks and their central banks; and (2) noncommercial bank institutions. Included in the latter group are such institutions as savings and loan associations, mutual savings banks, and credit unions. These institutions are often referred to as thrift institutions, although commercial banks also provide savings and time deposit accounts.

### **BEA Program**

The Bank Enterprise Award (BEA) Program provides awards to insured depository institutions that increase their level of activities in the form of loans, investments, services, and technical assistance within distressed communities. The program also provides financial assistance to CDFIs through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance. In general, an award is made based on the lender's success in certain BEA Program-qualified activities that were projected in the application for BEA funds. The BEA Program regulations are found at 12 CFR Part 1806.

### **Capital**

In general, the amount invested in a business, which may include, among other things, owner's equity, the total assets of the business, credit or funds available for investment or funds invested in a business, and the total of corporate stock.

### **CDFI**

Community Development Financial Institution – a nongovernmental entity that meets the following eligibility criteria and is certified by the CDFI Fund as such: (i) it must have a primary mission of promoting community development; (ii) it must serve an eligible investment area or targeted population; (iii) its predominant business activity must be the provision of loans or certain equity investments; (iv) in conjunction

with its loans or development investments, it must provide activities and services that promote community development (financial management technical assistance, financial or credit counseling, for example); and (v) it must maintain accountability to residents of the investment area or targeted population through representation on its governing board. Certain additional eligibility criteria apply if the entity is a depository institution holding company or an insured depository institution. The CDFI Fund's requirements for CDFI certification and eligibility are found at 12 CFR 1805.200.

### **CDFI Fund**

A wholly owned government corporation in the Department of the Treasury, created to promote economic revitalization and community development through investment in and assistance to CDFIs, including enhancing their liquidity. It was created by, and has the specific legal duties and responsibilities specified in, the Riegle Community Development and Regulatory Improvement Act of 1994.

### **CDFI Fund Advisory Board**

The Community Development Advisory Board advises the CDFI Fund director on the policies of the CDFI Fund. It consists of 15 members, including the secretaries of Agriculture, Commerce, Housing and Urban Development, Interior, and Treasury, or their designees; the administrator of the Small Business Administration or designee; and nine private citizens appointed by the president of the United States to represent a national geographic representation and racial, ethnic, and gender diversity.

### **Distressed Community**

For the CDFI Program, a group of people living within a geographic area (or areas), including an Indian reservation, that meet certain criteria of economic distress. Determining factors include the percentage of the population living in poverty, median family income levels, unemployment rates, the percentage of occupied substandard housing, and/or the level of an area's population loss.

For the BEA Program, a group of people living within a geographic area (or areas), including an Indian reservation, that meet certain criteria of economic distress. Determining factors include the percentage of

the population living in poverty and rates of unemployment.

**Equity**

The raising of capital by a corporation issuing or selling its stock (in contrast with "debt," which is the raising of capital by issuing bonds or borrowing money).

**Financial Services Organization (FSO)**

A financial institution that provides a variety of financial services to the public. Under the CDFI and BEA Programs, financial services are defined to include check-cashing, providing money orders and certified checks, automated teller machines, safe deposit boxes, and other comparable services to low- and moderate-income people in distressed communities or enterprises integrally involved with the distressed community.

**Intermediary CDFI**

A CDFI meeting the criteria for certification (see CDFI) that provides financing primarily to other CDFIs and supports the formation of other CDFIs. These Intermediary CDFIs play a critical role in providing financial and technical assistance to CDFIs and CDFIs in formation, especially those that are new, small, or geographically isolated.

**Microenterprise**

A sole proprietorship, partnership, family business, or incorporated entity that has no more than five employees, including the owner(s), does not generally have access to the commercial banking sector, and has use for and/or seeks a loan of \$25,000 or less.

**Microenterprise Development**

Activities to support or strengthen microenterprises, including the provision of credit, training, counseling, and technical assistance.

**Round**

Each application and award is identified with a funding round that corresponds to the year a Notice of Awards Availability (NOFA) is issued. For example, the Fund issued three NOFAs that are identified as the 1996 Round, the 1997 Round, and the 1998 Round. A round is not tied to one fiscal year or one calendar year. In other words, the Fund may make awards and obligations for a round in the fiscal year after the issuance of the NOFA, and obligations may be incurred in more than one appropriation and operating level for a given round.

**Technical Assistance**

Activities that enhance the capacity of an organization to carry out its business and purpose, such as training of management and other personnel; developing programs and loan or investment loan products; improving financial management and internal operations; and enhancing an organization's community impact.

**Underserved Markets**

A distressed community or a group of people or entities, not necessarily in one geographic area, that meets the CDFI Fund's criteria of economic distress (see Distressed Community above).

***CDFI Fund Advisory Board***

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US Department of the Treasury

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Development Corporation, Inc.

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**Cardell Cooper**

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**John E. Taylor**

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National Community Reinvestment  
Coalition

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*Financial and Program Analyst*

Jeffrey Berg  
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*Financial and Programs Advisor*

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*Native American Programs Manager*

Barbara Brennan  
*Budget Analyst*

Ronald Chung-A-Fung  
*Attorney Advisor*

Fredric Cooper  
*Programs Manager*

Donna Fabiani  
*Financial and Programs Advisor*

Joseph Firschein  
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Larry Green  
*Financial Manager*

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*Awards Management Specialist*

Jeannine Jacokes  
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Owen Jones  
*Deputy Director for Management/CFO*

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*Attorney Advisor*

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*Computer Specialist*

Patricia Krackov  
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*Deputy Legal Counsel*

William Luecht  
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*Awards Manager*

Yoo Jin Na  
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